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*FERC Docket: RP10-322-000*

**Original Sheet No. 0** Granite State Gas Transmission, Inc.: Fourth Revised Volume No. 1  
Original Sheet No. 0

F.E.R.C. GAS TARIFF

FOURTH REVISED VOLUME NO. 1.

(Supersedes Third Revised Volume No. 1)

OF

GRANITE STATE GAS TRANSMISSION, INC.

Filed With

THE FEDERAL ENERGY  
REGULATORY COMMISSION

Communications concerning this Tariff  
Should be addressed to:

Mark H. Collin  
Treasurer  
Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, NH 03842

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 1** Original Sheet No. 1

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**Original Sheet Nos. 2-6** Original Sheet Nos. 2-6

ORIGINAL SHEET NOS. 2-6

HAVE NOT BEEN ISSUED, BUT HAVE

BEEN RESERVED FOR FUTURE USE

*Effective Date: 03/01/2010 Status: Effective*

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**Original Sheet No. 7** Original Sheet No. 7

[ Insert Massachusetts System Map ]

*Effective Date: 03/01/2010 Status: Effective*

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**Original Sheet No. 8** Original Sheet No. 8

[ Insert New Hampshire System Map ]

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**Original Sheet No. 9** Original Sheet No. 9

[ Insert Maine System Map ]

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**Original Sheet No. 10** Original Sheet No. 10

PRELIMINARY STATEMENT

Granite State Gas Transmission, Inc. is a natural gas transmission company, principally engaged in the business of rendering unbundled merchant and transportation services of natural gas in the States of Massachusetts, Maine, and New Hampshire.

Granite State's transmission system connects with Tennessee Gas Pipeline Company in Haverhill, Massachusetts and with the Portland Natural Gas Transmission System and Maritimes and Northeast - Joint Facilities in Newington, New Hampshire and Westbrook, Maine. The system extends northeasterly through the coastal areas of New Hampshire and Maine to the vicinity of Portland, Maine.

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**Original Sheet No. 11-13** Original Sheet No. 11-13

ORIGINAL SHEET NO. 11-13  
IS RESERVED FOR  
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**Original Sheet No. 14** Original Sheet No. 14

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**Original Sheet No. 15** Original Sheet No. 15

Rate Schedule FT-1  
 Firm Transportation Service

	\$/Dth		
	Base Tariff Rate 1/	ACA Adj.	Total Current Rate
Reservation Charge:			
Maximum	\$1.6666		\$1.6666
Minimum	\$0.0000		\$0.0000
Commodity Charge:			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Authorized Overrun Commodity Charge:			
Maximum	\$0.0548	\$0.0019	\$0.0567
Minimum	\$0.0000	\$0.0019	\$0.0019
Fuel and Losses Percentage			
			0.5%
Volumetric Reservation Charge			
Maximum	\$0.0548		\$0.0548
Minimum	\$0.0000		\$0.0000

1/ The Base Tariff Rate is the effective rate on file with the Commission, excluding adjustment approved by the Commission.

Effective Date: 08/01/2010 Status: Suspended  
 FERC Docket: RP10-896-000

**First Revised Sheet No. 15** First Revised Sheet No. 15  
 Superseding: Original Sheet No. 15

Rate Schedule FT 1  
 Firm Transportation Service

	\$/Dth		Total Current Rate
	Base Tariff Rate	ACA Adj.	
Reservation Charge:			
Maximum	\$3.5518		\$3.5518
Minimum	\$0.0000		\$0.0000
Commodity Charge:			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Authorized Overrun Commodity Charge:			
Maximum	\$0.1168	\$0.0019	\$0.1187
Minimum	\$0.0000	\$0.0019	\$0.0019
Fuel and Losses			
Percentage			0.5%
Volumetric			
Reservation Charge			
Maximum	\$0.1168	\$0.0019	\$0.1187
Minimum	\$0.0000	\$0.0019	\$0.0019

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**Original Sheet No. 16** Original Sheet No. 16

Rate Schedule FT-NN  
 Firm Transportation Service

	\$/Dth		
Base Tariff Rate 1/	ACA Adj.		Total Current Rate
Reservation Charge:			
Maximum	\$1.6666		\$1.6666
Minimum	\$0.0000		\$0.0000
Commodity Charge:			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Authorized Overrun Commodity Charge:			
Maximum	\$0.0548	\$0.0019	\$0.0567
Minimum	\$0.0000	\$0.0019	\$0.0019
Fuel and Losses			
Percentage			0.5%
Volumetric Reservation Charge			
Maximum	\$0.0548		\$0.0548
Minimum	\$0.0000		\$0.0000

1/ The Base Tariff Rate is the effective rate on file with the Commission, excluding adjustment approved by the Commission.

Effective Date: 08/01/2010 Status: Suspended  
 FERC Docket: RP10-896-000

**First Revised Sheet No. 16** First Revised Sheet No. 16  
 Superseding: Original Sheet No. 16

Rate Schedule FT NN  
 Firm Transportation Service

	\$/Dth		
	Base Tariff Rate	ACA Adj.	Total Current Rate
Reservation Charge:			
Maximum	\$3.5518		\$3.5518
Minimum	\$0.0000		\$0.0000
Commodity Charge:			
Maximum	\$0.0000	\$0.0019	\$0.0019
Minimum	\$0.0000	\$0.0019	\$0.0019
Authorized Overrun Commodity Charge:			
Maximum	\$0.1168	\$0.0019	\$0.1187
Minimum	\$0.0000	\$0.0019	\$0.0019
Fuel and Losses			
Percentage			0.5%
Volumetric			
Reservation Charge			
Maximum	\$0.1168	\$0.0019	\$0.1168
Minimum	\$0.0000	\$0.0019	\$0.0019

Effective Date: 03/01/2010 Status: Effective  
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**Original Sheet No. 17** Original Sheet No. 17

Rate Schedule IT-1  
 Interruptible Transportation Service

	\$/Dth		
	Base Tariff Rate 1/	ACA Adj.	Total Current Rate
Commodity Charge:			
Maximum	\$0.0548	\$0.0019	\$0.0567
Minimum	\$0.0000	\$0.0019	\$0.0019
Authorized Overrun			
Commodity Charge:			
Maximum	\$0.0548	\$0.0019	\$0.0567
Minimum	\$0.0000	\$0.0019	\$0.0019
Fuel and Losses			
Percentage			0.5%

1/ The Base Tariff Rate is the effective rate on file with the Commission, excluding adjustment approved by the Commission.

Effective Date: 08/01/2010 Status: Suspended

FERC Docket: RP10-896-000

**First Revised Sheet No. 17** First Revised Sheet No. 17

Superseding: Original Sheet No. 17

Rate Schedule IT 1  
Interruptible Transportation Service

	Base Tariff Rate	ACA Adj.	\$/Dth Total Current Rate
Commodity Charge:			
Maximum	\$0.1168	\$0.0019	\$0.1187
Minimum	\$0.0000	\$0.0019	\$0.0019
Authorized Overrun Commodity Charge:			
Maximum	\$0.1168	\$0.0019	\$0.1187
Minimum	\$0.0000	\$0.0019	\$0.0019
Fuel and Losses			
Percentage			0.5%

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**Original Sheet No. 18** Original Sheet No. 18

Rate Schedule LMS 1/  
Load Management Service

	Base Tariff Rate	Rate After Current Adjustment
DAILY VARIANCE RATES 2/		
Delivery Point - OBA	\$0.3936	\$0.3936
MONTHLY CASH OUT		
Delivery Point - OBA	3/	3/

1/ Service Provided pursuant to Granite State's Rate Schedule LMS ("Load Management Service") reflects the pass through of charges associated with the load balancing services of the upstream pipelines interconnected to Granite State, including Tennessee Gas Pipeline Company and the PNGTS/M&NE Joint Facilities pipeline.

2/ The Daily Variance Rates reflect the pass through of similar daily charges associated with the load balancing services of Tennessee Gas Pipeline only, since the PNGTS/M&NE Joint Facilities pipeline has no such daily charges.

3/ The Monthly Cash Out price will be set forth pursuant to Sections 6(b) (i), (ii), and 7 of Transporter's Rate Schedule LMS.

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**Original Sheet No. 19** Original Sheet No. 19

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Effective Date: 03/01/2010 Status: Effective

FERC Docket: RP10-322-000

**Original Sheet No. 20** Original Sheet No. 20

RATE SCHEDULE FT-1  
Firm Transportation Service

1. Availability

This Rate Schedule is available for the transportation of natural gas on a firm basis by Granite State Gas Transmission, Inc. ("Transporter") for any Shipper, when;

(a) Shipper has converted its firm sales entitlement under Transporter's former CD Rate Schedule to Firm Transportation service pursuant to 18 CFR 284.10;

(b) Shipper has converted its firm service under other Rate Schedules to service under this rate schedule;

(c) Sufficient firm capacity is available in order to provide such transportation without any construction of facilities or other investment by Transporter; and

(d) Shipper has made a valid request for firm transportation pursuant to Article 22 of the General Terms and Conditions of this FERC gas tariff;

(e) Shipper has executed a firm transportation contract wherein Transporter agrees to transport natural gas under this Rate Schedule for Shipper's account up to a specific maximum daily transportation quantity.

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**Original Sheet No. 21** Original Sheet No. 21

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

2. Applicability and Character of Service (continued)

2.2 Upon receipt of such natural gas for Shipper's account, Transporter shall, after making allowance for any applicable fuel reimbursement, transport and deliver for Shipper's account such gas at those points on Transporter's system as specified in an executed FT-1 Transportation Contract between Transporter and Shipper (hereinafter referred to as "Delivery Point(s)"); provided however, Transporter shall not be obligated to, but may at its option, deliver at any delivery point on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO").

2.3 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ plus any applicable fuel on any day if in Transporter's sole judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules and if such transportation is compatible to Transporter's system operation requirements. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be required to install, operate, or maintain any additional facilities in order to provide transportation service under this rate schedule. Transporter may, however at Shipper's request, add facilities or expand capacity to provide transportation service under this Rate Schedule, subject to Section 5.3(a) below.

2.5 This transportation service shall be on a firm basis and shall not be subject to curtailment or interruption except as provided for in Transporter's General Terms and Conditions.

2.6 Shippers may contract for firm seasonal service under this Rate Schedule by entering into a FT-1 Service Agreement that sets forth the maximum daily quantities applicable to the winter period and summer period in the spaces provided for such service in the pro forma FT-1 Service Agreement.

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**Original Sheet No. 22** Original Sheet No. 22

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

3. Qualification for Service

All Shippers requesting firm transportation service under this rate schedule must provide the information as set forth in Article 22 of the General Terms and Conditions and on Transporter's Service Request Form, as contained within this FERC tariff.

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**Original Sheet No. 23** Original Sheet No. 23

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

4. Receipt and Delivery Points

4.1 Primary Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system that is covered by an OBA shall be eligible for designation as a primary receipt point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to receive gas at any receipt point where the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received.

4.2 Secondary Receipt Points: All eligible receipt points on Transporter's system shall be available as Secondary Receipt Points.

4.3 Primary Delivery Points: Subject to the availability of capacity, any delivery point on Transporter's system that is covered by an OBA shall be eligible to be designated in Shipper's transportation contract as a Primary Delivery Point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to deliver gas at any point where the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be received.

4.4 Secondary Delivery Points: All eligible delivery points on Transporter's system shall be available as Secondary Delivery Points.

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FERC Docket: RP10-322-000

**Original Sheet No. 24** Original Sheet No. 24

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

5. Rates and Charges

5.1 Unit Rates: The applicable maximum and minimum unit rates for service under this Rate Schedule are set forth on the currently effective rate schedule of this FERC Tariff. The applicable unit rates to be charged on any day by Transporter for gas delivered to Shipper shall be a rate not in excess of the maximum unit rate nor less than the minimum unit rate.

5.2 Monthly Bill: Commencing for the month in which the FT-1 Transportation Contract is effective and each Month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

(a) Reservation Charge: A charge per month per Dth of Shipper's effective Maximum Daily Transportation Quantity (MDTQ) under this Rate Schedule.

(b) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the month (excluding Authorized Overrun Quantities);

(c) Authorized Overrun Charge: The applicable authorized overrun charge per Dth multiplied by the Authorized Overrun Quantity delivered to Shipper during the month.

(d) Other Applicable Charges: The applicable surcharges provided for in Articles 17 and 18 of the General Terms and Conditions.

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**Original Sheet No. 25** Original Sheet No. 25

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

5. Rates and Charges (Continued)

5.3 Customer Reimbursement: In addition to the above charges, Shipper shall reimburse Transporter for:

(a) The cost of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule; and

(b) Any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

Any amounts so collected pursuant to Article 5.3 above shall not be recognized in establishing Transporter's general system rates.

5.4 (a) Shipper shall pay the maximum Reservation Charges and Commodity Charges for service under this Rate Schedule unless Transporter elects to discount either or both of the charges. If Transporter elects to discount the Reservation Charge or the Commodity Charge or both, it shall, upon forty-eight (48) hours written notice, advise Shipper of the effective date of such charges and the quantity of gas so effected; provided, however, such discount shall not be anti-competitive or unduly discriminatory between individual Shippers. The rates for service under this Rate Schedule shall not be discounted below the minimum Reservation and commodity charges.

(b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

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**Original Sheet No. 26** Original Sheet No. 26

RATE SCHEDULE FT-1  
Firm Transportation Services  
(Continued)

5. Rates and Charges (continued)

5.5 Backhauls, displacements, or off-system deliveries shall be subject to the same charges as forward hauls or downstream transportation except that no gas shall be retained for compressor station fuel, line loss or other unaccounted-for gas.

5.6 Shipper shall be responsible for any Balancing and/or Unauthorized Overrun penalties Transporter incurs by an upstream pipeline relating to the transportation and delivery by such upstream pipeline at off-system delivery points for Shipper's account.

6. Fuel and Losses

Shipper shall reimburse Transporter for any fuel and losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for fuel and losses shall be equal to the quantity of gas tendered for transportation multiplied by the applicable fuel reimbursement percentage shown on the effective Tariff Sheet No. 21, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated fuel reimbursement quantity.

7. Nominations and Scheduling of Receipts and Deliveries

7.1 Nominations and Scheduling: If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Article 26 of the General Terms and Conditions. Based upon the nominations of shipper, Transporter shall schedule receipts and deliveries of gas in accordance with such Article 26 of the General Terms and Conditions.

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FERC Docket: RP10-322-000

**Original Sheet No. 27** Original Sheet No. 27

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

7. Nominations and Scheduling of Receipts and Deliveries  
(Continued)

7.2 Delivery of Gas: Based upon the daily quantity scheduled, Transporter shall make daily delivery of Shipper's scheduled quantity taking into account any applicable fuel reimbursement quantity. It is the intention of Transporter that daily deliveries of gas at the delivery points be equal to daily receipts of gas at the receipt points less any applicable fuel reimbursement. Any excess or deficiency in deliveries shall be allocated to the Delivery Point Operator's OBA.

8. Other Operating Conditions

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

8.1 Shipper shall make all necessary arrangements, with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, and such arrangements must be compatible with Transporter's system operations.

8.2 As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

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*FERC Docket: RP10-322-000*

**Original Sheet No. 28** Original Sheet No. 28

RATE SCHEDULE FT-1  
Firm Transportation Service  
(Continued)

9. Governmental Authorizations

Transportation service under executed FT-1 Transportation Contracts shall be implemented pursuant to the Commission's Regulations set forth in 18 CFR Part 284. Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284.

10. General Terms and Conditions

The applicable General Terms and Conditions specified in Transporter's FERC Tariff are incorporated as part of this Rate Schedule.

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FERC Docket: RP10-322-000

**Original Sheet No. 29** Original Sheet No. 29

RATE SCHEDULE FT-NN  
Firm Transportation Service

1. Availability

This rate schedule is available for the transportation of natural gas on a firm basis by Granite State Gas Transmission, Inc. ("Transporter") for any Shipper when;

(a) Shipper has converted its firm sales entitlement under Transporter's former CD Rate Schedule to firm transportation service pursuant to 18 CFR 284.10;

(b) Shipper has made a valid request for firm transportation pursuant to Article 25 of the General Terms and Conditions of this FERC gas Tariff;

(c) Shipper has nominated the level of no-notice service it wishes to receive, in accordance with Transporter's Rate Schedule LMS and has authorized Transporter to contract with its upstream connecting pipeline, Tennessee Gas Pipeline Company, for a corresponding level of daily demand service, pursuant to Tennessee's underlying Rate Schedule LMS-MA.

(d) Shipper has executed a firm transportation contract wherein Transporter agrees to transport natural gas under this Rate Schedule FT-NN for Shipper's account up to a specific maximum daily transportation quantity.

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**Original Sheet No. 30** Original Sheet No. 30

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

2. Applicability and Character of Service

2.1 On any day Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed FT-NN Transportation Contract between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas tendered for the account of Shipper up to Shipper's Maximum Daily Transportation Quantity ("MDTQ") plus an amount for any applicable fuel reimbursement, and on a cumulative basis in any year, up to Shipper's Maximum Annual Transportation Quantity ("MATQ") as specified in the Transportation Contract, plus any amounts for fuel reimbursement, as applicable, provided however, Transporter shall not be obligated to, but may at its option, receive at any receipt point on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation ("MDRO") plus any applicable fuel reimbursement.

2.2 Upon receipt of such natural gas for Shipper's account, Transporter shall, after making allowance for any applicable fuel reimbursement, transport and deliver for Shipper's account such gas at those points on Transporter's system as specified in an executed FT-NN Transportation Contract between Transporter and Shipper (hereinafter referred to as "Delivery Points"); provided however, Transporter shall not be obligated to, but may at its option, deliver at any delivery point on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO").

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FERC Docket: RP10-322-000

**Original Sheet No. 31** Original Sheet No. 31

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

2. Applicability and Character of Service (Continued)

2.3 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ plus any applicable fuel on any day if in Transporter's sole judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules and if such transportation is compatible to Transporter's system operation requirements. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be required to install, operate, or maintain any additional facilities in order to provide transportation service under this rate schedule. Transporter may, however at Shipper's request add facilities or expand capacity to provide transportation service under this Rate Schedule, subject to Section 5.3(a) below.

2.5 This transportation service shall be on a firm basis and shall not be subject to curtailment or interruption except as provided for in Transporter's General Terms and Conditions. Subject to the level of no-notice service nominated under Rate Schedule LMS, the Shipper may nominate an increase in deliveries at the delivery point up to Shipper's MDTQ, by notifying Transporter of such intraday change in nomination, pursuant to Article 26 of the General Terms and Conditions.

2.6 Shippers may contract for firm seasonal service under this Rate Schedule by entering into a FT-NN Service Agreement that sets forth the maximum daily quantities applicable to the winter period and summer period in the spaces provided for such service in the pro forma FT-NN Service Agreement.

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*FERC Docket: RP10-322-000*

**Original Sheet No. 32** Original Sheet No. 32

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

3. Qualification for Service

All Shippers requesting firm transportation service under this rate schedule must provide the information as set forth in Article 22 of the General Terms and Conditions and on Transporter's Service Request Form, as contained within this FERC Tariff.

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FERC Docket: RP10-322-000

**Original Sheet No. 33** Original Sheet No. 33

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

4. Delivery and Receipt Points

4.1 Primary Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system that is covered by an OBA shall be eligible for designation as a primary receipt point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to receive gas at any receipt point where the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received.

4.2 Secondary Receipt Points: All eligible receipt points on Transporter's system shall be available as Secondary Receipt Points.

4.3 Primary Delivery Points: Subject to the availability of capacity, any delivery point on Transporter's system that is covered by an OBA shall be eligible to be designated in Shipper's transportation contract as a Primary Delivery Point for gas transported under this rate schedule. Transporter shall not be required under any circumstances to deliver gas at any point where the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be received.

4.4 Secondary Delivery Points: All eligible delivery points on Transporter's system shall be available as Secondary Delivery Points.

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FERC Docket: RP10-322-000

**Original Sheet No. 34** Original Sheet No. 34

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

5. Rates and Charges

5.1 Unit Rates: The applicable maximum and minimum unit rates for service under this Rate Schedule are set forth in this currently effective Tariff. The applicable unit rates to be charged on any day by Transporter for gas delivered to Shipper shall be a rate not in excess of the maximum unit rate nor less than the minimum unit rate.

5.2 Monthly Bill: Commencing for the month in which the FT-NN Transportation Contract is effective and each month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

(a) Reservation Charge: A charge per month per Dth of Shipper's effective Maximum Daily Transportation Quantity (MDTQ) under this rate schedule.

(b) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the month (excluding Authorized Overrun Quantities).

(c) Authorized Overrun Charge: The applicable authorized overrun charge per Dth multiplied by the Authorized Overrun Quantity delivered to Shipper during the month.

(d) Other Applicable Charges: The applicable surcharges provided for in Articles 17 and 18 of the General Terms and Conditions.

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FERC Docket: RP10-322-000

**Original Sheet No. 35** Original Sheet No. 35

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

5. Rates and Charges (continued)

5.3 Customer Reimbursement: In addition to the above charges, Shipper shall reimburse Transporter for:

(a) The cost of facilities constructed at the Shipper's request in order to provide transportation service under this rate schedule; and

(b) Any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

Any amounts so collected pursuant to Article 5.3 above, shall not be recognized in establishing Transporter's general system rates.

5.4 (a) Shipper shall pay the maximum Reservation Charges and Commodity Charges for service under this rate schedule unless Transporter elects to discount either or both of the charges. If Transporter elects to discount the Reservation Charge or the Commodity Charge or both, it shall, upon forty-eight (48) hours written notice, advise Shipper of the effective date of such charges and the quantity of gas so effected; provided however, such discount shall not be anti-competitive or unduly discriminatory between individual Shippers. The rates for service under this rate schedule shall not be discounted below the minimum Reservation and Commodity Charges.

(b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits ("Negotiated Rates") for service under this Rate Schedule that differ from those rates, rate components, charges, or credits that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

5.5 Backhauls, displacements, or off-system deliveries shall be subject to the same charges as forward hauls or downstream transportation except that no gas shall be retained for compressor station fuel, line loss, or other unaccounted-for gas.

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FERC Docket: RP10-322-000

**Original Sheet No. 36** Original Sheet No. 36

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

5. Rates and Charges (Continued)

5.6 Shipper shall be responsible for any Balancing and/or Unauthorized Overrun penalties Transporter incurs by an upstream pipeline relating to the transportation and delivery by such upstream pipeline at off-system delivery points for Shipper's account.

6. Fuel and Losses

Shipper shall reimburse Transporter for any fuel and losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for fuel and losses shall be equal to the quantity of gas tendered for transportation multiplied by the applicable fuel reimbursement percentage shown in this effective FERC Tariff, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated fuel reimbursement quantity.

7. Nominations and Scheduling of Receipts and Deliveries

7.1 Nominations and Scheduling: If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Article 23 of the General Terms and Conditions. Based upon the nominations of shipper, Transporter shall schedule receipts and deliveries of gas in accordance with such Article 23 of the General Terms and Conditions.

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FERC Docket: RP10-322-000

**Original Sheet No. 37** Original Sheet No. 37

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

7. Nominations and Scheduling of Receipts and Deliveries  
(Continued)

7.2 Delivery of Gas: Based upon the daily quantity scheduled, Transporter shall make daily delivery of Shipper's schedule quantity taking into account any applicable fuel reimbursement quantity. It is the intention of Transporter that daily deliveries of gas at the delivery points be equal to daily receipts of gas at the receipt points less any applicable fuel reimbursement. Any excess or deficiency in deliveries shall be allocated to the delivery point operator's OBA.

8. Other Operating Conditions

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

8.1 Shipper shall make all necessary arrangements, with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, and such arrangements must be compatible with Transporter's system operations.

8.2 The Upstream Pipelines shall deliver to the various points of interconnection with Transporter's system such quantities of gas at such times as Transporter determines in its reasonable discretion are required by its system to meet the needs of the Shippers under this Rate Schedule FT-NN.

8.3 As nearly as practicable, Shipper shall deliver and receive gas in uniform hourly quantities during any day.

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*FERC Docket: RP10-322-000*

**Original Sheet No. 38** Original Sheet No. 38

RATE SCHEDULE FT-NN  
Firm Transportation Service  
(Continued)

9. Governmental Authorizations

Transportation service under executed FT-NN Transportation Contracts shall be implemented pursuant to the Commission's Regulations set forth in 18 CFR Part 284. Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284.

10. General Terms and Conditions

The applicable General Terms and Conditions specified in Transporter's FERC Tariff are incorporated as part of this Rate Schedule.

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FERC Docket: RP10-322-000

**Original Sheet No. 39** Original Sheet No. 39

RATE SCHEDULE IT-1  
Interruptible Transportation Service

1. Availability

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by Granite State Gas Transmission, Inc. (Transporter) for any Shipper, when:

(a) Shipper has made a valid request for interruptible transportation pursuant to Section 22 of the General Terms and Conditions of this FERC gas Tariff;

(b) Shipper has executed an interruptible transportation contract wherein Transporter agrees to transport natural gas for Shipper's account up to a specific maximum daily transportation quantity.

2. Applicability and Character of Service

2.1 On any day Transporter shall receive from Shipper, or for the account of Shipper, at those points on Transporter's system as specified in an executed IT-1 Transportation Contract between Transporter and Shipper (hereinafter referred to as "Receipt Point(s)") for transportation hereunder daily quantities of gas tendered for the account of Shipper up to Shipper's Maximum Daily Transportation Quantity ("MDTQ") plus an amount for any applicable fuel reimbursement, and on a cumulative basis in any year, up to Shipper's annual Transportation Quantity ("MATQ:") as specified in the Transportation Contract, plus any amounts for fuel reimbursement, as applicable, provided however, Transporter shall not be obligated to, but may at its option, receive at any receipt point on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation ("MDRO") plus any applicable fuel reimbursement.

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FERC Docket: RP10-322-000

**Original Sheet No. 40** Original Sheet No. 40

RATE SCHEDULE IT-1  
Interruptible Transportation Service  
(Continued)

2. Applicability and Character of Service (Continued)

2.2 Upon receipt of such natural gas for Shipper's account, Transporter shall, after making allowance for any applicable fuel reimbursement, transport and deliver for Shipper's account such gas at those points on Transporter's system as specified in an executed IT-1 Transportation Contract between Transporter and Shipper (hereinafter referred to as "Delivery Point(s)"); provided however, Transporter shall not be obligated to, but may at its option, deliver at any delivery point on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO").

2.3 Provided Transporter's prior consent is obtained, Shipper may tender quantities of gas in excess of the MDTQ plus any applicable fuel on any day if in Transporter's sole judgment such tender and transportation of such gas can be accomplished by Transporter without detriment to any other Shipper under any of Transporter's rate schedules and if such transportation is compatible to Transporter's system operation requirements. Such excess quantities shall be deemed to be Authorized Overrun Quantities.

2.4 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule. Transporter may, however, at Shipper's request, add facilities or expand capacity to provide transportation service, subject to Section 5.3(a) below.

2.5 This transportation service shall be on an interruptible basis.

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FERC Docket: RP10-322-000

**Original Sheet No. 41** Original Sheet No. 41

RATE SCHEDULE IT-1  
Interruptible Transportation Service  
(Continued)

3. Qualification for Service

All Shippers requesting interruptible transportation service under this Rate Schedule must provide the information as set forth in Article 22 of the General Terms and Conditions and on Transporter's Service Request Form, as contained within this FERC Tariff.

4. Receipt and Delivery Points

4.1 Receipt Points: Subject to the availability of capacity, any receipt point on Transporter's system that is covered by an OBA shall be eligible for designation as a receipt point for gas transported under this rate schedule. Transporter shall not be required under any circumstance to receive gas at any point where the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received.

4.2 Delivery Points: Subject to the availability of capacity, any delivery point on Transporter's system that is covered by an OBA shall be eligible to be designated in Shipper's transportation contract as a delivery point for gas transported under this rate schedule. Transporter shall not be required under any circumstance to deliver gas at any point where the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be received.

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FERC Docket: RP10-322-000

**Original Sheet No. 42** Original Sheet No. 42

RATE SCHEDULE IT-1  
Interruptible Transportation Service  
(Continued)

5. Rates and Charges

5.1 Unit Rates: The applicable maximum and minimum unit rates for service under this Rate Schedule are set forth in the currently effective Tariff. The applicable unit rates to be charge on any day by Transporter for gas delivered to Shipper shall be at a rate not in excess of the maximum unit rate nor less than at the minimum unit rate.

5.2 Monthly Bill: Commencing for the month in which the IT-1 Transportation Contract is effective and each month thereafter, Transporter shall charge and Shipper shall pay the sum of the following amounts:

(a) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the month (excluding Authorized Overrun Quantities);

(b) Authorized Overrun Charge: The applicable authorized overrun charge per Dth multiplied by the Authorized Overrun Quantity delivered to Shipper during the month.

(c) Other Applicable Charges: The applicable surcharges provided for in the Sections 17 and 18 of the General Terms and Conditions.

5.3 Customer Reimbursement: In addition to the above charges, Shipper shall reimburse Transporter for:

(a) The cost of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule; and

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**Original Sheet No. 43** Original Sheet No. 43

RATE SCHEDULE IT-1  
Interruptible Transportation Service  
(Continued)

5. Rates and Charges (Continued)

(b) Any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.

Any amounts so collected pursuant to Section 5.3 above, shall not be recognized in establishing Transporter's general system rates.

5.4 (a) Shipper shall pay the maximum Commodity Charges for service under this rate schedule unless Transporter elects to discount the charges. If Transporter elects to discount the Commodity Charge it shall, upon forty-eight (48) hours written notice, advise Shipper of the effective date of such charges and the quantity of gas so effected; provided however, such discount shall not be anti-competitive or unduly discriminatory between individual Shippers. The rates for service under this rate schedule shall not be discounted below the minimum Commodity Charges.

(b) Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges, or credits for service under this Rate Schedule that differ from those rates, rate components, charges, or credits ("Negotiated Rates") that are otherwise prescribed or imposed by this Rate Schedule or by any other applicable provision of Transporter's effective FERC Gas Tariff. Only those rates, rate components, charges, or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed or imposed by this Rate Schedule or Transporter's Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

5.5 Backhauls, displacements, or off-system deliveries shall be subject to the same charges as forward hauls or downstream transportation except that no gas shall be retained for compressor station fuel, line loss, or other unaccounted-for gas.

5.6 Shipper shall be responsible for any Balancing and/or Unauthorized Overrun Penalties Transporter incurs by an upstream pipeline relating to the transportation and delivery by such upstream pipeline at off-system delivery points for Shipper's account.

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FERC Docket: RP10-322-000

**Original Sheet No. 44** Original Sheet No. 44

Rate Schedule IT-1  
Interruptible Transportation Service  
(Continued)

6. Fuel and Losses

Shipper shall reimburse Transporter for any fuel and losses associated with rendering service pursuant to this Rate Schedule. The quantity of gas required for fuel and losses shall be equal to the quantity of gas tendered for transportation multiplied by the applicable fuel reimbursement percentage shown in this effective FERC Tariff, the result of such calculation rounded to the nearest Dth. Reimbursement shall be accomplished by reducing the quantity of gas received for transportation by the calculated fuel reimbursement quantity.

7. Nominations and Scheduling of Receipts and Deliveries

7.1 Nominations and Scheduling: If Shipper desires transportation of natural gas on any day under this rate schedule, Shipper shall provide a nomination to Transporter in accordance with Article 23 of the General Terms and Conditions. Based upon the nominations of shipper, Transporter shall schedule receipts and deliveries of gas in accordance with such Article 23 of the General Terms and Conditions.

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**Original Sheet No. 45** Original Sheet No. 45

RATE SCHEDULE IT-1  
Interruptible Transportation Service  
(Continued)

7. Nominations and Scheduling of Receipts and Deliveries  
(continued)

7.2 Delivery of Gas: Based upon the daily quantity scheduled, Transporter shall make daily delivery of Shipper's schedule quantity taking into account any applicable fuel reimbursement quantity. It is the intention of Transporter that daily deliveries of gas at the delivery points be equal to daily receipts of gas at the receipt points less any applicable fuel reimbursement. Any excess or deficiency in deliveries shall be allocated to Delivery Point Operator's OBA.

8. Other Operating Conditions

Transporter's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

8.1 Shipper shall make all necessary arrangements, with other parties at or upstream of the Receipt Point(s) where Shipper tenders gas to Transporter for transportation, and at or downstream of the Delivery Point(s) where Transporter delivers gas for Shipper's account, and such arrangements must be compatible with Transporter's system operations.

8.2 As nearly as practicable, Shipper shall deliver and receive gas in uniform quantities during the day.

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**Original Sheet No. 46** Original Sheet No. 46

RATE SCHEDULE IT-1  
Interruptible Transportation Service  
(Continued)

9. Governmental Authorization

Transportation service under executed IT Transportation Contracts shall be implemented pursuant to the Commission's Regulations set forth in 18 CFR Part 284. Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter pursuant to 18 CFR Part 284.

10. General Terms and Conditions

The applicable General Terms and Conditions specified in Transporter's FERC Gas Tariff are incorporated as part of this Rate Schedule.

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**Original Sheet No. 47** Original Sheet No. 47

RATE SCHEDULE LMS  
(Load Management Service)

1. Availability

(a) Transporter shall provide a monthly balancing service at delivery points to parties (herein referred to as "Delivery Point Operators" or "Operators") who have executed an Operational Balancing Agreement (Delivery Point OBA) in the form set forth in this Tariff. An OBA will be available to:

(i) the Operator of connecting facilities at a delivery point(s) on Transporter's system; and,

(ii) a pipeline Operator whose facilities interconnect with Transporter's system; and,

(iii) a market aggregator ("Aggregator") who has obtained written consent from Delivery Point Operators that imposes responsibility on Aggregator for all scheduling and balancing at stated delivery points and that provides authority to Aggregator to change physical flows at stated delivery points upon notice from the pipeline to the Aggregator.

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FERC Docket: RP10-322-000

**Original Sheet No. 48** Original Sheet No. 48

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

2. Applicability and Character of Service

The terms, conditions and charges set forth in this Rate Schedule governing daily variances and monthly balancing shall apply to all gas flowing through meters covered by a Delivery Point OBA. A Delivery Point OBA may include all delivery points controlled by a single Delivery Point Operator.

Because Transporter has no on-system storage capacity and minimal line-pack, the intent of this Service is, on a timely, non-discriminatory basis, to pass through to the Delivery Point Operator(s) the actual imbalance charges and cash outs billed to Transporter by the upstream pipeline(s) connected with Transporter's facilities.

Transporter shall automatically adjust the rates associated with this Rate Schedule to reflect any changes in the load balancing service rates charged by any upstream pipeline connected with Transporter's facilities.

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*FERC Docket: RP10-322-000*

**Original Sheet No. 49** Original Sheet No. 49

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

3. Scheduling and Confirmation by Operator

The Delivery Point Operator will confirm the nominations of the quantities to be scheduled at delivery points. The Delivery Point Operator will notify Transporter and the affected Shipper, via Transporter's IWS, within the time specified for confirmation in the General Terms and Conditions of any change in the nomination by the Shipper to confirmed nominations scheduled for delivery.

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**Original Sheet No. 50** Original Sheet No. 50

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

4. Daily Variances

(a) The Daily Variance for a Delivery Point OBA be the net of the aggregated differences between the Scheduled Quantities and the actual quantity of gas received from Transporter, based upon the best information available, at such point(s) within the time period that the Scheduled Quantities were in effect during any day.

(b) A Delivery Point Operator shall pay the Daily Variance Charges at the rate(s) set forth by the connecting upstream pipeline(s) and billed to Transporter. A Delivery Point Operator may also be subject to an Unauthorized Overrun Penalty charge for quantities taken above the Daily Limit as set forth in Section 5.

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**Original Sheet No. 51** Original Sheet No. 51

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

4. Daily Variances (continued)

(c) Based upon the best information available, a Delivery Point Operator shall take action to correct any imbalances occurring during the month by making adjustments in nomination and gas flows. If a Delivery Point Operator fails to take such corrective action, then Transporter may, upon 48 hours' notice, adjust Operator's scheduled receipts and deliveries over the remainder of the calendar month in order to maintain a balance of receipts, deliveries and nominations.

(d) Delivery Point Operators will be allowed to trade imbalances occurring during the month with other Delivery Point Operators that are subject to this Rate Schedule. All imbalance trading must be effected through the nomination of mid-month, make-up volumes. To facilitate imbalance trading, Transporter will provide for the posting of Delivery Point Operators' imbalances, based upon the best information available, on the IWS upon request.

5. Unauthorized Overrun Penalty

On any day during Operational Flow Order conditions, when a Delivery Point Operator takes gas in excess of the Daily Limit applicable to a delivery point(s), such Delivery Point Operator, in addition to the Transporter's other applicable tariffed rates and charges, will be subject to an Unauthorized Overrun Penalty charge of fifteen dollars (\$15.00) per Dth plus any Unauthorized Overrun charges and penalties billed to Transporter by the connecting upstream pipeline(s). The Daily Limit shall be specified for each delivery point in an Operational Flow Order issued pursuant to Article 32 of the General Terms and Conditions of Transporter's tariff.

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

6. Monthly Imbalances

(a) Delivery Point Operator's monthly imbalance with respect to each individual upstream pipeline shall be the net cumulative total of Daily Variances on that upstream pipeline from all points covered by the Delivery Point OBA adjusted for makeup quantities and imbalance trades. Unless Transporter and Delivery Point Operator mutually agree to correct the imbalance in kind on a nondiscriminatory basis, each month Transporter and Delivery Point Operator shall "cash-out" any imbalance between deliveries and Scheduled Quantities at such points covered by a Delivery Point OBA.

(b) The monthly cash-out of the Delivery Point Operator shall be based on Sections 6(b)(i) and 6(b)(ii) below. The monthly cash-out will be based on the Delivery Point Operator's monthly imbalance with each individual upstream pipeline interconnected to the Transporter. Transporter will post weekly and maintain on its EBB the best available information from the electronic bulletin boards of its upstream pipelines with regard to their monthly cash-out prices.

(i) Deficiency of Deliveries

If the Delivery Point Operator's monthly imbalance with an individual upstream pipeline is due to a deficiency of deliveries by Transporter relative to Scheduled Quantities, then Transporter shall pay the Delivery Point Operator in accordance with this Section 6(b)(i). Transporter's monthly cash-out price per Dth for each individual upstream interconnecting pipeline will be derived from that interconnecting upstream pipeline's cash-out prices, tolerance penalties, fuel, and transportation components, if any. The product of that upstream pipeline's total cash-out price plus any applicable transportation and fuel components of Transporter and the monthly imbalance deficiency of the Delivery Point Operator with that interconnecting upstream pipeline will be included in the cash-out of the Delivery Point Operator. This portion of the monthly cash-out will be payable to the Delivery Point Operator by the Transporter.

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**Original Sheet No. 53** Original Sheet No. 53

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

6. Monthly Imbalances (Continued)

(b) (Continued)

(ii) Excess of Deliveries

If the Delivery Point Operator's monthly imbalance on an upstream pipeline is due to an excess of deliveries by Transporter relative to Scheduled Quantities, Delivery Point Operator shall pay Transporter in accordance with this Section 6(b) (ii). Transporter's monthly cash-out price per Dth for each individual upstream interconnecting pipeline will be derived from that interconnecting upstream pipeline's cash-out prices, tolerance penalties, fuel, and transportation components, if any. The product of the upstream pipeline's total cash-out price plus any applicable transportation and fuel components of Transporter and the monthly imbalance excess of the Delivery Point Operator with that interconnecting upstream pipeline will be included in the cash-out of the Delivery Point Operator. This portion of the monthly cash-out will be payable to the Transporter by the Delivery Point Operator.

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**Original Sheet No. 54** Original Sheet No. 54

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

6. Monthly Imbalances (continued)

(b) (continued)

The amounts due hereunder shall be paid in accordance with Articles 5 and 6 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

(c) Access to information upon request,: Transporter will make available within one business day the best information it has concerning the total physical deliveries at applicable delivery points. Transporter will also make available the best information it has concerning the scheduled and allocated deliveries at all of Operator's delivery points by the end of the third business day. This information will include electronic gas measurement data at meters where such data is utilized for billing purposes (Electronic Data). Transporter will designate the points where Electronic Data is available. Operators will be entitled to rely on the Electronic Data for purposes of correcting imbalances during the month. Operators will not be entitled to rely on the data from delivery points without Electronic Data for purposes of

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**Original Sheet No. 55** Original Sheet No. 55

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

6. Monthly Imbalances (continued)

(c) (continued)

correcting imbalances during the month and will be responsible for verifying the actual receipts and deliveries at delivery points where no Electronic Data is available. Imbalances will be cashed-out on the basis of actual deliveries and confirmed nominations; provided that the level associated with imbalances that are associated with Delivery Points where Electronic Data is available will be based upon the lesser of (1) the monthly imbalance reported by Transporter for the last day of the month based upon the Electronic Data or (2) the monthly imbalance based upon actual receipts and deliveries at such locations; provided further, if the monthly imbalance reported by Transporter for the 20th day of the calendar month based upon Electronic Data is subsequently adjusted during the remainder of the month and (1) such adjustments materially increase the level of imbalance and (2) Operator did not have adequate time to correct the imbalance by adjusting nominations, receipts or deliveries, then the level associated with imbalances at points where Electronic Data is available will be based upon the lesser of (a) the imbalance reported on the 20th day of the calendar month plus the imbalance reported for each subsequent day in the calendar month or (b) the monthly imbalance based upon actual delivery at such points to the extent that the operator pursuant to the operational balancing agreement documents the situation. Notwithstanding anything to the contrary, if the Electronic Data at any point is inaccurate, through no fault of Transporter but rather as the result of the action or inaction of third parties, then the level associated with monthly imbalances occurring at such points will be based upon actual deliveries.

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FERC Docket: RP10-322-000

Original Sheet No. 56 Original Sheet No. 56

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

6. Monthly Imbalances (continued)

(d) Limitation on Penalties - Any imbalances caused by an event which excuses performance under Article 9 of the General Terms and Conditions or caused by an action of Transporter, including providing the Delivery Point Operator inaccurate imbalance information at points with Electronic Data as set forth in 6(b) above.

Furthermore, affected Operator(s) shall be exempt from Transporter's Unauthorized Overrun penalties for any imbalances associated with complying with an Operational Flow Order (OFO) issued pursuant to Article 32 of the General Terms and Conditions of Transporter's Tariff, and shall be provided an additional 30 days to correct such OFO-related imbalance.

(e) Operational Integrity - Nothing in this Section 6 shall limit Transporter's right to take action as may be required to adjust receipts and deliveries of gas in order to alleviate conditions which threaten the integrity of its system, or the ability of Transporter to transport quantities scheduled by any Shipper.

7. Reconciliation

Reconciliation of LMS Charges and Penalties - All Daily Variance charges, Monthly Cash Outs and Unauthorized Overrun Penalty charges received or paid by Transporter in accordance with Sections 4, 5, and 6(b) that are in excess of or deficient from Transporter's costs, including, but not limited to, (1) transactions with Transporter in accordance with Section 6(b), (2) imbalance charges and cash outs billed to the Transporter by the interconnecting upstream pipelines, (3) Transporter's fuel and loss costs properly allocable to Delivery Point Operators, and (4) administrative costs associated with this reconciliation, will be reconciled on an annual basis pro rata based on transportation imbalance quantities of the Delivery Point Operator. The amounts received and paid by Transporter will be reconciled with a filing by November 1 of each year with carrying charges at the Commission-approved interest rate prescribed in Section 154.501(d) of the Commission's regulations. Transporter may file interim reconciliations between such annual reconciliations.

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**Original Sheet No. 57** Original Sheet No. 57

RATE SCHEDULE LMS  
(Load Management Service)  
(Continued)

8. General Terms and Conditions

All of the General Terms and Conditions of Transporter's FERC Gas  
Tariff are part of the Rate Schedule.

GENERAL TERMS AND CONDITIONS  
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GENERAL TERMS AND CONDITIONS

1. DEFINITION OF TERMS

Except where the context expressly states another meaning, the following terms when used in this Tariff and in any gas sales, or transportation contract incorporating said Tariff, shall be construed to have the following meanings:

1.1 The term "Agent" shall mean any party that Shipper may contract with for purposes of administering Shipper's Service Agreement(s) with Transporter. An Agent has only those rights designated in writing by such Shipper to Transporter.

1.2 The term "Begin Date" shall mean the Gas Day specified by Shipper on which a transaction is to begin.

1.3 The term "British thermal unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit.

1.4 The term "Business Day" shall mean Monday through Friday excluding Federal Banking Holidays for transactions in the U.S., and similar holidays for transactions occurring in Canada and Mexico.

1.5 The term "Confirmation" shall mean verification of the quantity of gas, in dekatherms, which an interconnecting party has confirmed Transporter can receive from a specific receipt point(s) or deliver to a specific delivery point(s) on behalf of Shipper.

1.6 The term "Commission" or "FERC" shall mean The Federal Energy Regulatory Commission or any successor entity thereto.

1.7(a) The term "Confirmation by Exception" or "CBE" means that the Confirming Parties agree that one party deems that all requests at a location are confirmed by the other party (the CBE party) without response communication from that party. The CBE party can take exception to the request by so informing the other party within a mutually agreed upon time frame.

GENERAL TERMS AND CONDITIONS  
(Continued)

1. DEFINITION OF TERMS (Continued)

1.7(b) The term "Confirming Party" is Service Provider (including a Point Operator) which provides confirmation for a quantity of gas via the information outlined in GISB Standard 1.4.4 to another Service Provider (the Confirmation Requester) with respect to a nomination at a location.

1.7(c) The term "Confirming Parties" refers to the Confirmation Requester and the Confirming Party.

1.7(d) The term "Confirmation Requester" is a Service Provider (including a Point Operator) which is seeking to confirm a quantity of gas via the information outlined in NAESB Standard 1.4.3 with another Service Provider (the Confirming Party) with respect to a nomination at a location.

1.7(e) The term "Contract Demand," where used herein or in a gas sales contract, shall mean the quantity of natural gas specified in such contract which Transporter obligates itself to be ready to deliver daily to Shipper.

1.8 The term "Cubic Foot" shall mean the volume of gas which occupies one cubic foot when such gas is at a temperature of 60 degrees Fahrenheit, and at a pressure of thirty-three hundredths (0.33) pounds per square inch above an assumed atmospheric pressure of fourteen and four-tenths (14.4) pounds per square inch (fourteen and seventy three hundredths (14.73) pounds per square inch absolute).

GENERAL TERMS AND CONDITIONS  
(Continued)

1. DEFINITIONS OF TERMS (continued)

1.9 The term "Day" or "Gas Day" shall mean a period of twenty-four consecutive hours, beginning and ending at 9 a.m. Central Clock Time (CCT).

1.10 The term "Dth" shall mean dekatherm and shall be the quantity of heat energy equal to 1,000,000 British thermal units (MMBtu). Dth is the standard quantity for Nominations, Confirmations, Imbalance and Scheduled Quantities in the United States. The standard quantity per gas day in Canada is gigajoule (GJ), which is equal to 1,000,000,000 joules. The standard quantity per gas day in Mexico is gigacalorie (GC), which is equal to 1,000,000,000 calories. For commercial purposes, the standard conversion factor between Dth and GJ is 1.055056 GJs per Dth and between dekatherms and GCs is 0.251996 per Dth. The standard Btu is the international Btu, or Btu(IT); the standard joule is the joule specified in the SI system of units.

1.11 The term "Delivery Point" shall mean a point at which Transporter agrees to deliver gas on behalf of Shipper.

1.12 The term "Designated Site" shall mean an electronic address designated by Transporter or Shipper for the receipt or delivery of NAESB standardized data sets.

1.13(a) The term "Elapsed-Prorated Capacity" shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.

1.13(b) The term "Elapsed-prorated-scheduled quantity" means that portion of the scheduled quantity that would have theoretically flowed, up to the effective time of the intraday nomination being confirmed, which is based upon a cumulative uniform hourly quantity for each nomination period affected.

1.13(c) The term "Electronic Notice Delivery" is used to describe the delivery of notices via Internet E-mail and/or EDI/EDM.

1.13(d) The term "End Date" shall mean the gas day specified by Shipper on which a transaction is to end.

1.14 The term "Equivalent Quantity" unless otherwise stated in the transportation contract shall mean that during any given period of time the quantities of gas delivered hereunder at the Delivery Point(s) shall be the thermal equivalent of the quantities of gas received at the Receipt Point(s) for transportation less any applicable quantities of gas for Transporter's system fuel and use requirements and gas lost and unaccounted-for associated with transportation service.

1.15 The term "NAESB Standards" shall mean standardized procedures for critical business practices which were issued by the Gas Industry Standards Board ("NAESB") and adopted by FERC.

1.16 The term "Total Heating Value," when applied to a cubic foot of gas, means the number of British thermal units produced by the complete combustion with air, at

GENERAL TERMS AND CONDITIONS  
(Continued)

1. DEFINITION OF TERMS (Continued)

the constant pressure of one anhydrous (dry) cubic foot of gas, at a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit when the products of combustion are cooled to the initial temperature of the gas and air and when the water formed by combustion is condensed to the liquid state.

1.17 The term "Intra-Day Nomination" shall mean a Nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that gas day.

1.18 The term "load factor" for any given period of time shall mean the percentage obtained by dividing the amount of the average daily Dth delivery of gas during said period by the amount of gas in Dth delivered on the maximum day during said period.

1.19 The term "Mcf" shall mean 1,000 cubic feet of gas.

1.20 The term "MMBtu" shall mean one million British thermal units. One MMBtu equals One Dth.

1.21 The term "Maximum Annual Transportation Quantity" or "MATQ" shall mean the maximum quantity of natural gas in Dth which Transporter is willing to receive for the account of Shipper during any contract year at all Receipt Points(s), exclusive of any applicable fuel reimbursement quantity. Shipper's Maximum Annual Transportation Quantity shall be specified in the executed Transportation Contract hereunder. During any leap year, the Maximum Annual Transportation Quantity shall be increased for such year by 1/365. The Maximum Annual Transportation Quantity limitation shall be applied on a Contract Year basis commencing on November 1, and ending on the following October 31.

1.22 The term "Maximum Daily Delivery Obligation" (at Individual Delivery Point) or "MDDO" shall mean the maximum quantity of natural gas which Transporter is willing to deliver on any day at any indicated Delivery Point(s) as specified in the executed Transportation Contract. The sum of the Maximum Daily Delivery Obligations at all Delivery Point(s) shall not be in excess of the Maximum Daily Transportation Quantity.

GENERAL TERMS AND CONDITIONS  
(Continued)

1. DEFINITION OF TERMS (continued)

1.23 The term "Maximum Daily Receipt Obligation" (at Individual Receipt Points) or "MDRO" shall mean the maximum quantity of natural gas which Transporter is willing to receive on any day at an indicated Primary Receipt Point(s) as specified in the executed Transportation Contract, exclusive of any applicable fuel reimbursement quantity. The sum of the Maximum Daily receipt Obligations at all Receipt Point(s) shall not be in excess of the Maximum Daily Transportation Quantity.

1.24 The term "Maximum Daily Transportation Quantity" or "MDTQ" shall mean the maximum quantity of natural gas in Dth which Transporter is willing to receive on any day for transportation for the account of Shipper at all Receipt Points as specified in an executed Transportation Contract, exclusive of any applicable fuel reimbursement quantity.

1.25 The term "month" shall mean the period beginning at 9 a.m. Central Time on the first day of the calendar month and ending at. The same time on the first day of the next succeeding calendar month.

1.25A The term "negotiated rate" shall mean a rate or rate formula mutually agreed upon by Transporter and Customer pursuant to Section 35 of the General Terms and Conditions with respect to rates, rate components, charges, or credits differing from the otherwise applicable recourse rate. The negotiated rate may be less than, equal to, or greater than the maximum recourse rate; shall not be less than the minimum tariff rate; may be a rate design other than straight fixed-variable; and may include a minimum quantity.

1.26 The term "Nomination" shall mean a request for service, which conforms with NAESB issued and FERC approved standard data sets, pertaining to the transportation of gas under an executed Service Agreement.

1.27 The term "Nominating Party" shall mean the Shipper or party designated by Shipper to communicate Shipper's nominations to Transporter.

1.28 The term "Nomination Period" shall mean the period of time Shipper designates in its nomination for Transportation service.

1.29 The term "Receipt Point" shall mean a point at which Transporter agrees to receive gas for Shipper.

1.30 The term "Scheduled Quantity" shall mean the quantity of natural gas Transporter has scheduled to transport from a specific receipt point(s) to a specific delivery point(s) for a defined period of time pursuant to a Shipper's executed Service Agreement

1.30A The term "recourse rate" shall mean the rates (other than a negotiated rate as defined in Section 1.25A) applicable to Part 284 services as effective from time to time.

GENERAL TERMS AND CONDITIONS  
(Continued)

1. DEFINITION OF TERMS (continued)

1.31 The term "Shipper", "Buyer" or "Service Requester" shall mean any party that executes a Service Agreement with Transporter under one or more of the Rate Schedules contained in the tariff.

1.32 The term "Standing Nomination" shall mean an original Nomination submitted by Shipper that extends from a specified Begin Date to a specified End Date, spanning days, months or years but not exceeding the term of Shipper's executed Service Agreement. A Standing Nomination can be replaced by a new Daily Nomination or Intra-Day Nomination for specified periods: however, effective on the End Date of any such replacement Nomination, the original Standing Nomination resumes.

1.33 The term "Transportation Service" shall mean the receipt of Shipper's gas by Transporter at Receipt Point(s) and the delivery of thermally equivalent quantities by Transporter to Shipper or for Shipper's account, less any applicable fuel reimbursement, at Delivery Point(s) and shall include off-system transportation, exchange, or backhaul service.

1.34 The term "Transporter" or "Seller" shall mean Granite State Gas Transmission, Inc., acting in its capacity as Transporter or Seller.

1.35 The term "Year" or "Contract Year" shall mean a period of 365 consecutive days beginning on the date natural gas is first delivered or is to be delivered under the gas sales or gas transportation contract, whichever is earlier, or on any anniversary thereof; provided, however, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

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GENERAL TERMS AND CONDITIONS  
(Continued)

2. QUALITY

The gas received by Transporter for Shipper's account, or delivered by Transporter to Shipper, shall be natural gas, conforming to the Quality specification as provided for in the General Terms and Conditions of the gas tariffs of the upstream pipelines that interconnect with Transporter's system.

GENERAL TERMS AND CONDITIONS  
(Continued)

3. MEASUREMENT

3.1 Measurement Unit: The unit of measurement of gas delivered by Transporter shall be a dekatherm.

3.2 Determination of volume and total heating value: The volume and the total heating value of the gas delivered by Transporter shall be determined as follows:

(a) The unit of volume, for the purposes of measurement, shall be one cubic foot of gas at a temperature of 60 degrees Fahrenheit, and at a pressure of thirty-three hundredths (.33) pounds per square inch above an assumed atmospheric pressure of fourteen and four-tenths (14.4) pounds per square inch (fourteen and seventy-three hundredths (14.73) pounds per square inch absolute pressure.)

The reporting basis for gas volume is as cubic feet at standard conditions of 14.73 psia, 60 degrees F, and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry. The reporting basis for gigacalorie is as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry.

(b) The total heating value of the gas per cubic foot shall be that reported to the Transporter by the interconnecting upstream pipeline(s) or Canadian Supplier(s).

(c) The Dth delivered shall be calculated by multiplying the Mcf delivered by a fraction, the numerator of which is the total heating value and the denominator of which is 1,000.

(d) The temperature of the gas passing through the meters shall be determined for any day by the continuous use of a recording thermometer so installed that it may properly record the temperature of the gas flowing through the meters. The arithmetical average of the temperature recorded each day shall be used in computing gas volumes.

(e) The specific gravity of the gas delivered by Transporter on any day shall be that reported to Transporter by the upstream pipeline or Canadian supplier.

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**Original Sheet No. 68** Original Sheet No. 68

GENERAL TERMS AND CONDITIONS  
(Continued)

3. MEASUREMENT

3.2 (f) The deviation of the natural gas from Boyle's Law shall be that reported to Transporter by the connecting upstream pipelines or Canadian suppliers.

(g) The closing of measurement shall be no later than the fifth (5th) business day after the close of the business month.

3.3 Gas measured and delivered for Transporter's account at off-system delivery point(s) shall be in accordance with the measurement provisions in the tariff(s) of the upstream pipeline(s) providing such delivery.

GENERAL TERMS AND CONDITIONS  
(Continued)

4. MEASURING EQUIPMENT

4.1 Measuring Station on Transporter's pipeline system:  
Transporter will install, maintain and operate at its own expense, at or near the Delivery Point on Transporter's pipeline system, a measuring station properly equipped with meters, and other necessary measuring equipment by which the volume of gas delivered under the gas transportation contract shall be measured.

(a) Orifice meters, if used, shall be installed and operated in accordance with American National Standard Bulletin ANSI, API 2530, Orifice Metering of Natural Gas, dated June 1979, and any modification and amendments thereof, and shall include the use of flange connections and straightening vanes.

(b) Diaphragm or Turbine meters, if used, shall be installed, and gas volumes computed, in accordance with generally accepted industry practices.

(c) Electronic Flow Computer, if used, shall be installed, and gas volumes computed, in accordance with generally accepted industry practices.

(d) New Measurement Techniques. If at any time a new method or technique is developed with respect to gas measurement, such new method or technique may be substituted upon mutual agreement thereto by the parties.

4.2 Check measuring equipment: Shipper may install, maintain and operate, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Transporter's measuring equipment at or near the Delivery Point.

GENERAL TERMS AND CONDITIONS  
(Continued)

4. MEASURING EQUIPMENT (continued)

4.3 Right to be present: Transporter and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas under the gas transportation contract(s). The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to refund within ten days after receipt thereof.

4.4 Care required: All installation of measuring equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volume of gas delivered under the gas transportation contract(s).

4.5 Calibration and test of meters: The accuracy of Transporter's measuring equipment shall be verified by Transporter at reasonable intervals, and if requested in the presence of representatives of Shipper, but Transporter shall not be required to verify the accuracy of such equipment more frequently than once in any thirty-day period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for, shall be borne by Shipper if the measuring equipment tested is found to be in error not more than 2 percent.

GENERAL TERMS AND CONDITIONS  
(Continued)

4. MEASURING EQUIPMENT (Continued)

4.6 Correction of metering errors - failure of meters: In the event a meter is out of service or registering inaccurately, the volume of gas delivered shall be determined:

(a) by using the registration of any check meter or meters, if installed and accurately registering; or, in the absence of (a);

(b) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or in the absence of both (a) and (b), then;

(c) by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.

4.7 Off-system delivery measuring station: In the event that deliveries for Transporter's account are made at Delivery Points off Transporter's pipeline system through the meters and measuring equipment installed by others, then Transporter's and Shipper's rights to check such equipment and to make adjustments for correction of metering errors will be determined by the provisions in the Tariff of the party through whose equipment delivery is made for Transporter's account.

4.8 Preservations of metering records: Transporter and Shipper shall each preserve for a period of at least one year all test data, charts and other similar records.

GENERAL TERMS AND CONDITIONS  
(Continued)

5. BILLINGS

5.1 Monthly Billing: Transporter shall render an invoice on or before the ninth business day of each month, (defined as postmarked, time-stamped and delivered to the designated site) for all gas delivered and gas services furnished during the preceding calendar month. The form and content of such invoice as well as any backup shall comply with the Common Codes Standards adopted by the NAESB and incorporated by reference in Section 284.10 of the Commission's Regulations. Each such invoice shall contain a statement reflecting the following:

(i) The quantity of gas in Dth received by Transporter for Shipper's account during the preceding month;

(ii) The quantity of gas in Dth scheduled for delivery by Transporter for Shipper's account during the preceding month;

(iii) The imbalance, if any, between the quantity of gas received by Transporter and the quantity of gas actually delivered by Transporter for Shipper or for Shipper's account, net of any applicable fuel reimbursement whereby any transfer imbalance will be listed as a separate charge, if applicable;

(iv) The computation of charges due and payable by Shipper for services rendered during the preceding month, including any applicable outstanding balances;

(v) The outstanding balances by invoice; and

(vi) Any pooling point transactions and charges, if applicable.

5.2 Right of Examination: Both Transporter and Shipper shall have the right to examine at any reasonable time the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provisions of the gas sales or transportation contracts.

GENERAL TERMS AND CONDITIONS  
(Continued)

6. PAYMENTS

6.1 Monthly Payments: On or before the 10th day following the date of Transporter's invoice for the natural gas and natural gas services, Shipper shall make payment for all amounts due to Transporter at its address designated herein, or if requested by Transporter, by wire transfer of Federal Funds to a bank designated by Transporter. Shipper shall provide Transporter with supporting documentation with any payment, including invoice number, on which Transporter shall rely in applying such payment.

6.2 Remedies for Nonpayment: Subject to Section 6.3 below, should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment which shall be included by Transporter on the next regular monthly bill rendered to Shipper under Article 5 hereof. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill by (b) the ratio of the number of days from the due date to the date of actual payment to 365, by (c) a rate of interest calculated in accordance with 18 C.F.R. 154.501(d) for the applicable period(s) from the due date to the date of payment. If such failure to pay continues for thirty days after payment is due, Transporter, in addition to any other remedy it may have under the applicable contract, may after application to and authorization by the Federal Energy Regulatory Commission, suspend further delivery of gas until such amount is paid.

6.3 Disputed Bills: If Shipper in good faith shall dispute the amount of any such bill or part thereof and pay Transporter such amounts as it concedes to be correct, and at any time thereafter within thirty days of a demand made by Transporter shall furnish good and sufficient surety bond, guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination, which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not be entitled to seek to suspend further delivery of gas unless and until default be made in the conditions of such bond. In the event of a dispute, Shipper shall provide written notification to Transporter of the amount billed that is in dispute, for which payment is being withheld and provide adequate supporting documentation and reasons why Shipper believes full payment is not appropriate.

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GENERAL TERMS AND CONDITIONS  
(Continued)

6. PAYMENTS (continued)

6.4 Prior Period Adjustment of underpayment, overpayment or error in billing: If it shall be found that at any time or times the Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the gas sales and/or transportation contract(s) and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within thirty days after the final determination thereof, Transporter shall refund the amount of any such overcharge with interest thereon at a rate of interest calculated in accordance with 18 C.F.R. 154.501(d) applicable to the period(s) from the time such overcharge was paid to the date of refund, and Shipper shall pay the amount of any such undercharge but without interest. Such error will be rectified based on latest actual data available from month in which error occurred. In the event an error is discovered in the amount billed in any invoice or statement rendered by Transporter, such error shall be adjusted within thirty days of the determination thereof provided that claim thereof shall have been made within six (6) months from the date of the initial transportation statement and seven (7) months from the date of the initial sales invoice with a 3-month rebuttal period, excluding government-required rate changes, this standard will not apply in the case of deliberate omission, misrepresentation or mutual mistake of fact. In addition, Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

6.5 Record Retention: Transporter and Shipper shall retain all records pertaining to billing and payment for at least two (2) years.

GENERAL TERMS AND CONDITIONS  
(Continued)

7. POSSESSION, TITLE, AND WARRANTY OF GAS

7.1 Transporter shall be deemed to be in possession of the gas delivered hereunder by Shipper only from the time it is received by Transporter for transportation at the Receipt Point(s) until it is delivered to Shipper at the Delivery Point(s) as provided for in the transportation rate schedule thereunder. Shipper shall be deemed to be in possession of such gas prior to such receipt and after such delivery. Transporter shall have no responsibility thereunder with respect to such gas before receipt by it or after delivery to Shipper.

7.2 It is expressly understood that title to all gas delivered by Shipper to Transporter for transportation thereunder shall be held by Shipper. In no event shall Transporter take title to gas transported pursuant to the transportation contract except as provided for in Section 6 of the transportation Rate Schedule(s).

7.3 Shipper hereby warrants that it has good title to all the gas delivered to Transporter free and clear of all liens, encumbrances, and claims whatsoever. Shipper agrees to indemnify and hold harmless Transporter against any loss or cost incurred by Transporter on account of such liens, encumbrances and claims whatsoever. Transporter warrants that at the time of delivery to Shipper at the Delivery Point(s) the gas so delivered shall be free and clear of all liens, encumbrances and claims whatsoever resulting from Transporter's possession or transportation of gas pursuant to the transportation Rate Schedule(s). Transporter agrees to indemnify and hold harmless Shipper against any loss or cost incurred by Shipper on account of liens, encumbrances or claims resulting from any possession or transportation by Transporter.

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GENERAL TERMS AND CONDITIONS  
(Continued)

8. PRESSURES AND AVAILABILITY OF DELIVERY POINT

Unless otherwise provided in the applicable rate schedule, or transportation contract, this Article 8 shall apply to all transportation services. Transporter shall make available to each Shipper one or more delivery points on its pipeline system, the exact number to be determined by mutual agreement between Transporter and Shipper made with respect to the operating conditions involved.

Shipper shall deliver natural gas to Transporter at the pressure required from time to time to enable the gas to enter Transporter's facilities at the Receipt Point(s). Transporter shall deliver gas to Shipper or Shipper's designees at Transporter's line pressure existing at the Delivery Point(s).

GENERAL TERMS AND CONDITIONS  
(Continued)

9. FORCE MAJEURE AND REMEDIES

9.1 Relief from liability: Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrest and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze-ups, temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other case, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of one of the parties to the gas sales, or transportation contract between Transporter and Shipper or some person or concern not a party thereto, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

9.2 Liabilities not relieved: Such causes or contingencies affecting the performance of said contract by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and which all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by telegraph to the other party as soon as possible after the occurrence relied on.

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**Original Sheet No. 78** Original Sheet No. 78

GENERAL TERMS AND CONDITIONS  
(Continued)

9. FORCE MAJEURE AND REMEDIES (continued)

9.3 Termination of contracts: If either Transporter or Shipper shall perform any of the covenants or obligations imposed upon it by the gas sales or transportation contract, subject to the applicable provisions of this Tariff, then in such event the other party may at its option terminate said contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the contract and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the contract, and if within said period of thirty days the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such breach, within said period of thirty days, the contract shall terminate; provided, however, that Transporter may not terminate the contract until it has obtained the authorization required by valid laws, order, rules and regulations of duly constituted authorities having jurisdiction. Any cancellation of such contract pursuant to the provisions of this paragraph shall be without prejudice to the right of Transporter to collect any amounts then due to it for natural gas delivered prior to the time of cancellation, and shall be without prejudice to the right of Shipper to receive any gas which it has not received but for which it has paid prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such contract.

GENERAL TERMS AND CONDITIONS  
(Continued)

10. NOTICES

Any communication, notice, request, demand, statement, or bill provided for in this tariff or in a gas sales, or transportation contract, or any notice which either Transporter or Shipper may desire to give to the other, shall be in writing and shall be considered as duly delivered when transmitted via Electronic Notice Delivery, mailed by postpaid registered, certified, or ordinary mail, or when sent by telegram, cable, telecopy, fax, telex, express mail service, or such other method mutually agreed upon between the parties. The material so sent shall be addressed to said party at its last known post office address, or at such other address as either party may designate in writing. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail.

11. MODIFICATION

No modification of the terms and provisions of any sales, or transportation contract shall be made except by the execution of written contracts.

12. NONWAIVER AND FUTURE DEFAULT

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provision of a gas sales, or transportation contract shall operate or be constructed as a waiver of any future default or defaults, whether of a like or of a different character.

13. SCHEDULES AND CONTRACT SUBJECT TO REGULATIONS

This Tariff, including these General Terms and Conditions and the respective obligations of the parties under referenced contracts is subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

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14. OPERATING INFORMATION AND ESTIMATES

At Transporter's request, any Shipper which has executed a contract with Transporter will furnish to Transporter estimates of the daily, monthly and annual quantities of natural gas which Shipper desires Transporter to furnish or transport to Shipper.

15. LATERAL PIPELINE POLICY

Transporter shall not be obligated to build or contribute to the cost of building any lateral pipelines to any sales or transportation customer. For the purpose of this provision, "lateral pipelines" are defined as pipelines connected to Transporter's pipeline system for service to customers. Nothing in this policy statement shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a). Transporter reserves the right to seek a waiver of the policy set forth herein, for good cause shown, during any proceeding before the Federal Energy Regulatory Commission instituted under Section 7 of the Natural Gas Act.

GENERAL TERMS AND CONDITIONS  
(Continued)

16. CURTAILMENT OF GAS SUPPLY

If for any reason whatever, Transporter is unable to deliver the requirements of its Shippers within the limits of their gas purchase contract Transporter's available gas supply shall be allocated among its Shippers according to the priority of service categories in this Article.

16.1 Priority of Service Categories

Curtailments under this Article shall be based on the following priority categories:

(0) Shipper's use for fuel and loss and unaccounted for gas.

(1) Residential, small commercial (less than 50 Dth on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, or correctional facility requirements.

(2) Essential agricultural requirements.

(3) Large commercial requirements (50 Dth or more on a peak day), firm industrial requirements for plant protection, feedstock and process needs, pipeline customer storage injection requirements, and firm industrial sales up to 300 Dth per day.

(4) All industrial requirements not specified in (2), (3), (5), (6), (7), (8), (9), or (10).

(5) Firm industrial requirements for boiler fuel use at less than 3,000 Dth per day, but more than 1,500 Dth per day, where alternate fuel capability can meet such requirements.

GENERAL TERMS AND CONDITIONS  
(Continued)

16. CURTAILMENT OF GAS SUPPLY (continued)

16.1 Priority of Service Categories (continued)

(6) Firm industrial requirements for large volume (3,000 Dth or more per day) boiler fuel use where alternate fuel capabilities can meet such requirements.

(7) Interruptible requirements of more than 300 Dth per day but less than 1,500 Dth per day, where alternate fuel capabilities can meet such requirements.

(8) Interruptible requirements of intermediate volumes (from 1,500 Dth per day through 3,000 Dth per day), where alternate fuel capabilities can meet such requirements.

(9) Interruptible requirements of more than 3,000 Dth per day, but less than 10,000 Dth per day, where alternate fuel capabilities can meet such requirements.

(10) Interruptible requirements of more than 10,000 Dth per day, where alternate fuel capabilities can meet such requirements.

16.2 Definitions of Terms in Priority of Service Categories

(1) Residential: Service to customers which consists of direct natural gas usage in a residential dwelling, including apartments and other multi-unit buildings, predominately for space heating, air conditioning, cooking, clothes-drying, water heating and other residential uses.

GENERAL TERMS AND CONDITIONS  
(Continued)

16. CURTAILMENT OF GAS SUPPLY (continued)

16.2 Definitions of Terms in Priority of Service Categories  
(Continued)

(2) Hospital: Service to a facility, the primary function of which is delivering medical care to patients who remain at the facility including nursing and convalescent homes but excluding out-patients clinics or doctors' offices.

(3) Schools: Service to a facility, the primary function of which is to deliver instruction to regularly enrolled students in attendance at such facility.

(4) Essential Agricultural: Service to customers for natural gas usage which is certified by the Secretary of Agriculture pursuant to 7 C.F.R. Subsection 2900, et seq. exclusive of requirements as to which the Federal Energy Regulatory Commission has determined in 18 C.F.R. Part 281, Subpart C, that an alternative fuel is reasonably available and economically practicable.

(5) Commercial: Service to customers engaged primarily in the sale of goods or services, including institutions and local, state and federal government agencies, for uses other than those involving manufacturing or electric power generation.

(6) Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.

GENERAL TERMS AND CONDITIONS  
(Continued)

16. CURTAILMENT OF GAS SUPPLY (continued)

16.2 Definitions of Terms in Priority of Service Categories  
(Continued)

(7) Firm Service: Service from schedules or contracts under which Shipper is not expressly obligated to deliver specific quantities within a given time period, and which anticipates no interruptions, but which may permit unexpected interruption in case the supply to higher priority customers is threatened.

(8) Interruptible Service: Service from schedules or contracts under which Shipper is not expressly obligated to deliver specific quantities within a given time period, and which anticipates and permits interruption on short notice, or service under schedules or contracts which expressly or implicitly require installation of alternate fuel capability.

(9) Plant Protection Gas: Is defined as minimum quantities required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.

(10) Feedstock Gas: Is defined as natural gas used as a raw material for its chemical properties in creating an end product.

GENERAL TERMS AND CONDITIONS  
(Continued)

16. CURTAILMENT OF GAS SUPPLY (continued)

16.2 Definitions of Terms in Priority of Service Categories  
(continued)

(11) Process Gas: Is defined as gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics. For the purposes of this definition, propane and other gaseous fuels shall not be considered alternate fuels.

(12) Boiler fuel: Is considered to be natural gas used as a fuel for the generation of steam or electricity, including the utilization of gas turbines for the generation of electricity.

(13) Alternate Fuel Capabilities: Is defined as a situation where an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed; provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the customer will be treated as if he had no alternate fuel capacity.

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16. CURTAILMENT OF GAS SUPPLY (continued)

16.3 Services Subject to Curtailment

All deliveries under Transporter's sales Rate Schedules are subject to curtailment under the provisions of this Article, a specific sales service can be excluded from any curtailment if and to the extent that curtailment would not assist in maintaining deliveries to other Shippers.

16.4 Method of Curtailment

Depending upon circumstances, Transporter may administer curtailments on a daily, seasonal, or annual basis to Shippers hereunder. Transporter shall notify each affected Shipper as far in advance as possible and reasonable of the inception of curtailment on its system and the projected quantities available to Shippers during the curtailment period.

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17. ANNUAL CHARGE ADJUSTMENT CLAUSE PROVISION (ACA)

17.1 Purpose

Annual charges are assessed against gas pipelines by the Federal Energy Regulatory Commission (FERC) under Part 382 of the Commission's Regulations prior to each fiscal year in order to cover the cost of the operation of the FERC. For the purpose of recovering annual charges assessed Transporter by the FERC, this Article 17 establishes pursuant to Section 154.38(d)(6) of the Commission's Regulations an ACA Surcharge to be applicable to all quantities transported by Transporter. Transporter shall not recover any annual charges recorded in FERC Account No. 928 in an NGA Section 4 rate case. This ACA Surcharge is in addition to any amounts otherwise payable to Transporter under said Rate Schedules.

17.2 Rate Schedules to ACA Surcharge

The ACA Surcharge shall be applicable to the quantities transported under Transporter's Transportation Rate Schedules FT-1, FT-NN, and IT-1.

17.3 Basis of the ACA Surcharge

The ACA Surcharge shall be that increment, which has been approved by FERC Orders approving an annual charge unit rate. The currently effective ACA Surcharge shall be reflected in this FERC Gas Tariff.

17.4 Filing Procedure

The initial ACA Surcharge or any subsequent changes in such surcharge shall be filed by Transporter at least thirty (30) days prior to the proposed effective date unless the establishment by the FERC of the annual

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17. ANNUAL CHARGE ADJUSTMENT CLAUSE PROVISION (ACA) (continued)

17.4 Filing Procedure (continued)

charge unit rate for a particular fiscal year prohibits  
Transporter from making a timely filing, whereupon the FERC's  
notice requirements under 18 C.F.R. 154.22 shall be deemed waived  
for purposes of this Article 17.

The proposed effective date of filings pursuant to this  
Subsection shall be the effective date prescribed by the Federal  
Energy Regulatory Commission. Such filing shall become effective  
without suspension or refund obligation.

17.5 Payment by Shipper

The amount of ACA charges applicable to each Shipper shall be  
due and payable with the bill for the month of each such Shipper.

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18. DELIVERY POINT CAPACITY

Shippers shall be allocated Primary Delivery Point Capacity at the same points listed under their sales and transportation contracts in effect immediately prior to the effective date of this tariff sheet.

19. ALLOCATION OF FIRM RECEIPT POINT CAPACITY

19.1 Shippers shall be allocated total Primary Receipt Point capacity equal to the levels specified in their firm sales, storage, and transportation contracts in effect immediately prior to the effective date of this tariff sheet, plus an amount necessary to recognize fuel and losses, as may be applicable.

19.2 All remaining Receipt Point capacity on Transporter's system shall be available to each firm Shipper as a Secondary Receipt Point on a pro-rata basis.

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20. ALLOCATION OF UPSTREAM TRANSPORTATION CAPACITY

20.1 Transporter shall allocate and assign its rights to firm transportation and/or storage capacity under its contracts with upstream pipelines, as related to and underlying Transporter's former CD sales service, to the former CD customers on the basis of each customer's Contract Demand in effect immediately prior to the effective date of this tariff sheet.

20.2 All Shippers that were receiving gas services from Transporter under storage and/or transportation rate schedules shall receive a corresponding amount of storage capacity and upstream transportation capacity in the same proportion that each customer was initially allocated capacity under the Certificate authorizing such services.

20.3 Shippers receiving allocation and assignment of firm transportation and/or storage capacity shall be responsible for all upstream pipeline transition costs charges associated with such capacity, including but not limited to gas supply realignment costs and Take-or-Pay costs, effective on the implementation date of Transporter's filing in FERC Docket No. RS93-1.

GENERAL TERMS AND CONDITIONS  
(Continued)

21. TRANSPORTATION SERVICE REQUESTS

All Shippers requesting transportation service must provide the information required by this Article 21 and on Transporter's Service Request Form in order to qualify for transportation service. No request for service will be entered on Transporter's log, as required by Section 284.13 of the Commission's Regulations, or gas scheduled for receipt and delivery until a completed Service Request has been provided. In the event Transporter determines that Shipper's request does not comply with this Article 21 and Transporter's Service Request Form, Transporter shall notify Shipper of the deficiencies and the additional information or changes required to complete the request. Shipper shall have the right for a period of ten days after such notice to supplement Shipper's request as required to comply with this Article 21 and Transporter's Service Request Form. If Shipper's request, as supplemented within said ten days after such notice, is satisfactory, then Shipper's original request shall be utilized for purposes of Transporter's log, as required by Section 284.13 of the Commission's Regulations. If Shipper's request, as supplemented within said ten days remains incomplete and deficient, then Shipper's request shall be deemed void.

All completed Service Request Forms are to be sent to:

Transportation Services Department  
Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, New Hampshire 03842

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21. TRANSPORTATION SERVICE REQUESTS (continued)

All prepayments made to Transporter as specified in Section 5 of this Article are to be sent to:

By check:

Granite State Gas Transmission, Inc.  
6 Liberty Lane, West  
Hampton New Hampshire 03842  
Re: Firm Transportation Deposit

By wire transfer:

Bank of America

Acct. No.004622844051  
ABA # 026-009-593  
Payable to: Granite State Gas Transmission, Inc.  
Re: Firm Transportation Deposit

Any request shall include the following:

- (a) Complete Legal Name of Shipper
- (b) Type of Legal Entity and State of Incorporation

(c) Type of Company: Specify whether a local distribution company, interstate pipeline, intrastate pipeline, producer, end-user, marketer, broker, or other.

(d) Affiliation: The specific affiliation of the requester with Transporter, if any

GENERAL TERMS AND CONDITIONS  
(Continued)

21. TRANSPORTATION SERVICE REQUEST (continued)

(e) (1) Name of person responsible for this request, mailing address, electronic address, telephone, and fax number to which correspondence or other communications should be directed. State relationship to Shipper.

(2) Name address, telephone and fax number of 24-hour contact person for purposes of dispatching.

(f) Facilities: Identification and location of any facilities to be constructed or installed by any party affected by the proposed transportation service.

(g) Signatory Person: Name and full title of Officer (or general partner) of Shipper who will execute transportation contract with Transporter.

(h) Gas Quantities: The desired MDTQ, MATQ, and the MDRO and MDDO applicable to each Receipt Point and Delivery Point stated in Dth and the estimated total quantities to be received and transported over the delivery period; provided, however, the MDRO at a Receipt Point shall not exceed the quantity which Shipper's supplier has agreed to deliver at such point. In no event shall Transporter be required to accept a request for a quantity insufficient to be measured by the existing measurement facilities at Receipt Point(s) and/or Delivery Point(s).

(i) Term: Date service is requested to commence and the termination date of service.

GENERAL TERMS AND CONDITIONS  
(Continued)

21. TRANSPORTATION SERVICE REQUESTS (continued)

(j) Receipt/Delivery Point(s): The designated primary receipt point(s) and primary delivery point(s) for the requested transportation together with warrants that any of the pipelines transporting the gas immediately upstream or immediately downstream of Transporter will have the necessary authorizations and facilities in place prior to the commencement of service. Acceptance of such Receipt and Delivery Points requested by Shipper is subject to the adequacy of Transporter's existing facilities to receive and transport Shipper's gas with Transporter's existing firm service obligations taking precedence.

(k) Rate Schedule under which service is being requested.

(l) Credit Evaluation: Unless Shipper, at the time of the submission of the request for service pursuant to this Article 21, has an existing satisfactory credit history with Transporter, Shipper shall submit:

(i) a copy of Shipper's most recent audited financial statement; a copy of Shipper's most recent twelve month audited financial statement or Annual Report and, if applicable, 10-K form; a list of Shipper's affiliates, including parent and subsidiaries, if applicable.

(ii) a deposit or a letter of credit, at Shipper's option, payable to Transporter, in an amount equal to three months of transportation at 100% load factor of the requested MDTQ at the maximum applicable unit rate.

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(Continued)

21. TRANSPORTATION SERVICE REQUEST (continued)

(m) Shipper Certification: A statement by the Shipper certifying that all necessary upstream and downstream arrangements will be in place on the date the transportation service is to commence and that Shipper will have title or the right to acquire title to the gas to be delivered to Transporter.

(n) Shipper understand that a request for service in the form set forth herein, complete and unrevised as to format, must be received by Transporter before the transportation request will be accepted and processed. Customer further understands that Transporter is an interstate pipeline subject to the Regulations of the Federal Energy Regulatory Commission, and renders transportation service on an open-access, non-discriminatory basis.

21.2 Request for Transportation

If Transporter determines that firm capacity is available to satisfy a request, then Transporter shall notify Shipper in writing or electronically of Transporter's acceptance of Shipper's request for service. Following the acceptance of Shipper's request for service, a transportation contract, reflecting the nature of the service requested, shall be executed by Shipper and Transporter. In the event the transportation contract is not executed by Shipper and returned within fifteen days after Transporter tendered the contract, Transporter shall consider the request for service invalid.

If Transporter determines that capacity is not available to satisfy a request for service, then Transporter shall so notify Shipper in writing or electronically.

GENERAL TERMS AND CONDITIONS  
(Continued)

21. TRANSPORTATION SERVICE REQUESTS (continued)

21.3 If the gas to be transported is not for Shipper's system supply, then on or before the date transportation service commences Shipper shall:

(i) identify the name of the corporate entity or entities which will ultimately receive the gas to be transported, and

(ii) provide verification that the identified end-users have executed purchase contracts related to the transportation service to be provided under the transportation contract(s).

21.4 No request for transportation from a receipt point or to a delivery point shall be considered valid or be granted if to do so would impair Transporter's ability to render existing services pursuant to Transporter's firm service rate schedules.

21.5 Prepayment: If requesting firm service, Shipper shall make a prepayment by either check or wire transfer in an amount equal to the Reservation Charges for one month's service at the levels specified in Shipper's request. If firm capacity is available and a transportation contract is executed, then this amount, with interest, shall be credited to Shipper's invoice for the first month of the requested transportation service. If firm capacity is not available, Transporter shall refund the entire amount of the prepayment with interest.

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES

22.1 Initial Service: Upon execution of transportation contract, Shipper shall provide Transporter all information requested in the Customer Nomination Form as set forth in this Tariff, no later than the time specified in the nomination timeline set forth below, or such lesser period of time as is acceptable to Transporter. A copy of the completed Customer Nomination Form shall be provided by Transporter to the Point Operator(s) at the receipt and delivery points through which Shipper desires to receive service, and to:

Granite State Gas Transmission, Inc.  
Transportation Services Department  
6 Liberty Lane West  
Hampton, New Hampshire 03842  
Fax: (603) 773-6672

Transporter supports a seven-days-a-week, twenty-four hours-a-day nominations process through Transporter's IWS. Shipper must provide Transporter with Shipper's designated contact person and emergency and after-hours telephone numbers, updating such information as changes occur. Transporter will not be liable to Shipper if Shipper's contact information is outdated and Transporter's communication attempt(s) with such Shipper are unsuccessful.

GENERAL TERMS AND CONDITIONS  
(Continued)

22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

22.1 Initial Service

Service Requester's Nomination shall be submitted via Electronic Data Interchange at a Designated Site, (electronic address) mutually agreed to by both Transporter and Seller, or by fax when necessary. All nominations will be considered original nominations and should be replaced to be changed.

When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

No transportation service will commence unless or until (1) Transporter and the applicable Point Operator(s) have received the completed nomination information from Service Requester, including:

(i) The Nomination Period during which Service Requester requires transportation service, as defined by a beginning date and an ending date;

(ii) The quantity of gas in Dekatherms which Service Requester desires to have transported each day during the Nomination Period under each Rate Schedule from a specific Receipt Point(s) to a specific Delivery Point(s);

(iii) a ranking of the supplies received at the designated points; and

(iv) all applicable Point Operators have submitted to Transporter the information required by Rate Schedule LMS, as applicable.

The receiver of a nomination initiates the confirmation process. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.

GENERAL TERMS AND CONDITIONS  
(Continued)

22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

22.2 Change in Service: For purposes of scheduling any change in any transportation service, Shipper will provide Transporter the information contained on a completed Customer Nomination Form in accordance with the above nominations timeline, indicating the changes to be made to the service and the date the revised service is to commence. The completed Customer Nomination Form shall be provided through Electronic Data Interchange, or by Fax when necessary, as provided for above.

Nominations received after the timely nomination deadline will be scheduled, given its service priority after like nominations received by that deadline, subject to available pipeline capacity and upstream/downstream confirmation, provided that like scheduled quantities for other Shippers will not be adversely affected.

Where Transporter exercises its discretion to allow notice to be provided on a time-frame other than that listed above, it shall do so on a non-discriminatory basis.

22.3 Scheduling Duration

The scheduled service specified in a Customer Nomination Form shall be effective for one or more days, months, or years provided the Nomination Begin and End Dates are within the term of the applicable Service Agreement pursuant to which the nomination is submitted.

22.4 Nomination Cycle Timelines

All nominations shall be based on daily quantities. The standard nominations timeline shall be Central Clock Time on the day prior to the commencement of service.

(i) "Timely Nomination Cycle" is 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by the Transporter (including from Title Transfer Tracking Service Providers (TTTSPs)); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Shipper and Interconnecting Operator (central clock time on the day prior to flow).

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

22.4 Nomination Cycle Timelines (Continued)

(ii) "Evening Nomination Cycle" is 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by the Transporter (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and Interconnecting Operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow). Scheduled quantities resulting from an Evening Nomination that does not cause another Shipper on the subject Transporter to receive notice that it is being bumped should be effective at 9:00 a.m. on next Gas Day; and when an Evening Nomination causes another Shipper on the subject Transporter to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on Gas Day.

(iii) "Intraday 1 Nomination Cycle" is 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by the Transporter (including from TTTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. Transporter to provide scheduled quantities to affected Shippers and Interconnecting Operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on Gas Day.

(iv) "Intraday 2 Nomination Cycle" is 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by the Transporter (including from TTTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and Interconnecting Operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on Gas Day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

For purposes of b, c and d above, "provide" shall mean, for transmittals pursuant to standards 1.4.x, receipt at Shipper's or Interconnecting Operator's designated site, and for purposes of other forms of transmittal, it shall mean send or post.

GENERAL TERMS AND CONDITIONS  
(Continued)

22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

22.4 Nomination Cycle Timelines (continued)

For purposes of this Section 22.4, Transporter adopts and incorporates by reference NAESB standards 1.3.2(v) and 1.3.2(vi).

An Intraday nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the gas day and runs through the end of that gas day. Subject to available capacity and system capability, a Shipper under Rate Schedules FT-1, FT-NN and IT-1 may change its Daily Nomination by making an Intraday Nomination through Transporter's IWS provided that any such Intraday nomination change shall not be effected if the result would be curtailment of any service having a similar priority which is previously scheduled and flowing on that day. Intraday nominations may be used to request increases or decreases in total flow changes to receipt points, or changes to delivery points of scheduled gas. Intraday nominations do not roll-over and shall be effective only for the duration of the Gas Day, wherein the Standing Nomination in effect prior to the submission of any Intraday nomination shall continue in effect for the remainder of the Nomination Period.

Transporter shall provide notification to bumped shippers by 2:00 p.m. as to Intraday nominations submitted at 10:00 a.m. and by 10:00 p.m. as to Intraday nominations submitted at 6:00 p.m. Transporter shall notify parties that are bumped during the Evening and Intraday 1 Nomination Cycles by providing the scheduled quantities information and with notification to Shipper's representative through Shipper's choice of Electronic Notice Delivery mechanism(s). Unless Shipper and Transporter have agreed to exclusive notification via EDI/EDM, Shipper should provide Transporter with at least one Internet E-mail address to be used for Electronic Notice Delivery of Intraday bump notices. The obligation of Transporter to provide notification is waived until the above requirement has been met. Transporter should support the concurrent sending of electronic notification of Intraday bump notices to two Internet E-mail addresses for each Shipper. Intraday bump notices should indicate whether daily penalties will apply for the gas day quantities are reduced.

22.5 Hourly Changes in Nominations

A delivery point OBA Operator with FS service on the Tennessee system may adjust the quantities to be delivered at the OBA delivery point(s) within its MDQ on any hour of the day by notifying Transporter sixty (60) minutes in advance through Transporter's IWS.

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

22.5 Hourly Changes in Nominations (continued)

Hourly nomination changes must be nominated and confirmed by all affected parties via telephone to Transporter's Gas Control Center as well as through IWS. Transporter shall schedule hourly nomination changes at the next intra-day effective time, or the next hourly scheduling opportunity if the nomination is received after 5:00 p.m., and adjust the nomination so that the increase or decrease in quantities (identified in Section 8 of Rate Schedules FT-1, FT-NN, and IT-1) are based on the time when the adjustment to gas flow was made rather than the effective time when the nomination was made. The adjustment to gas flow means that the Shipper may increase gas flow by a volume up to 1/24 of their contractual Maximum Daily Quantity multiplied by the number of hours remaining in the day. Shippers may also decrease gas flow down to a volume equal to 1/24 of their scheduled volumes multiplied by the number of hours of flow for that day.

22.6 Authorized Overrun Nominations

Shipper shall Nominate to Transporter in a separate transaction the quantity of natural gas in dekatherms to be scheduled and transported in excess of Shipper's contractual entitlements. Subject to available capacity, such Authorized Overrun Nomination shall be scheduled in accordance with Transporter's Nomination procedures, set forth above.

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(continued)

22.7 Unconfirmed Nominations (continued)

(4) the Service Requester is told by its Transportation Service Provider that the downstream confirming party did not conduct the confirmation;

(5) the Service requester is told by its Transportation Service Provider that the downstream Service Requester did not have the market or submit the nomination.

This information shall be imparted to the Service Requester on the Scheduled Quantity document.

22.8 Notification of Scheduling

Upon request, information regarding daily Schedule Quantities will be made available by Transporter, subject to the timely receipt of upstream/downstream pipeline Confirmations. At the end of each gas day, Transporter will provide the final scheduled quantities for the just completed gas day. With respect to the implementation of this process via the NAESB 1.4.x scheduled quantity related standards, Transporter will send an end of the gas day Scheduled Quantity document. Receivers of the end of the day Scheduled Quantity document can waive the sender's sending of the end of the gas day Scheduled Quantity document

22.8A Shipper may segment its capacity by nominating receipts or deliveries of gas on a primary point basis within the Shipper's primary path, subject to Section 26 of the General Terms and Conditions. Shipper may segment its capacity by nominating receipts or deliveries of gas at any available point on Transporter's pipeline on a secondary firm basis, subject to Section 26 of the General Terms and Conditions. Shipper may segment its capacity to consist of forwardhauls up to contract demand and backhauls up to contract demand to the same point at the same time, subject to the scheduling and allocation provisions of Section 26 of the General Terms and Conditions. For such a segmentation backhaul to the same point, Transporter shall provide such service on a secondary basis.

22.8B Segmentation of capacity pursuant to Sections 26.8A and 29.3(iv) of the General Terms and Conditions will be permitted to the extent the requested segmentation of capacity:

(a) would not impair Transporter's ability to render services pursuant to Transporter's firm service rate schedules; and

(b) is operationally feasible.

22.9 Scheduling Priorities

Transporter shall schedule receipts and deliveries of gas in the following priority categories specified below, such that any curtailments will result in allocations of available capacity to higher priority services before lower priority services. Unless otherwise specified, scheduling priority within a category shall be pro-rata or in accordance with the rankings provided pursuant to Shipper's Customer Nomination Form.

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
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22.7 Unconfirmed Nominations

(i) With respect to the timely nomination/confirmation process at a receipt or delivery point, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the confirmed quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the lesser of the confirmation quantity or the previously scheduled quantity should be the new confirmed quantity.

(ii) With respect to the processing of requests for increases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity. If there is no response to the Request for Confirmation or an unsolicited Confirmation Response, the previously scheduled quantity should be the new confirmed quantity.

(iii) With respect to the processing of requests for decreases during the intraday nomination/confirmation process, in the absence of agreement to the contrary, the lesser of the confirmation quantities should be the new confirmed quantity, but in any event no less than the elapsed- prorated-scheduled quantity. If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the confirmation quantity or the elapsed-prorated-scheduled quantity should be the new confirmed quantity.

(iv) With respect to 1.3.22 i, ii, and iii, if there is no response to a request for confirmation or an unsolicited confirmation response, the Transportation Service Provider should provide the Service Requester with the following information to explain why the nomination failed, as applicable:

(1) the Service Requester's Transportation Service Provider did not conduct the confirmation;

(2) the Service Requester is told by its Transportation Service Provider that the upstream confirming party did not conduct the confirmation;

(3) the Service Requester is told by its Transportation Service Provider that the upstream Service Requester did not have the gas or submit the nomination;

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
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(a) Transporter's firm transportation services; provided that

(1) Quantities scheduled at Primary Receipt Points or Primary Delivery Points shall be scheduled first at any time during the month and shall be given the highest priority; and

(2) Quantities scheduled from Secondary Receipt Points or to Secondary Delivery Points shall be scheduled second; provided that the sum of such nominations are not in excess of the applicable contractual entitlement of Shipper. Any firm Shipper requesting service from a Secondary Receipt Point may interrupt gas that is flowing or has been scheduled to flow pursuant to any interruptible service using the affected receipt point, but may not interrupt another firm Shipper. If there is insufficient capacity to serve all requests to Secondary Points, Transporter shall allocate capacity first to Shippers with Secondary Delivery Points within the Primary Path of such Shippers. Transporter shall award capacity to those Shippers sequentially beginning with the highest rate, based upon those Shippers respective nominated quantities. Where requested deliveries at the highest rate exceed Transporter's capacity at Secondary Delivery Points, Transporter shall allocate such capacity first to those Shippers flowing gas on a pro rata basis, based upon each Shipper's respective confirmed nominations, and second to all remaining Shippers based upon the order in which Transporter received nominations from those Shippers (equally to all Shippers submitting nominations within the same Nomination Cycle on the same day). Any remaining capacity shall then be allocated to Shippers with Secondary Delivery Points outside the Primary Path of such Shippers. Transporter shall award capacity to those Shippers sequentially beginning with the highest rate, based upon those Shippers respective nominated quantities. Where requested deliveries exceed Transporter's capacity at Secondary Delivery Points, Transporter shall allocate such capacity first to those Shippers on a pro rata basis, based upon such Shipper's respective confirmed nominations, and second to all remaining Shippers based upon the order in which Transporter received nominations from those Shippers (equally to any Shippers submitting nominations within the same Nomination Cycle on the same day). These priorities shall apply where Shipper's aggregate deliveries at primary and secondary delivery points do not exceed Shipper's Transportation Demand.

(b) Mid-month, make-up volumes to correct prior daily variances under a balancing agreement.

(c) Among Transporter's interruptible transportation Shippers authorized to receive service prior to January 30, 1993 under former Rate Schedules T-1, T-2 and T-3.

(d) Among Transporter's interruptible transportation Shippers according to the quantities scheduled by such Shippers that provided completed Service Request Forms to Transporter during the period beginning 8 a.m. January 12, 1993 and ending 8 a.m. January 22, 1993.

(e) Among all IT-1 Shippers on a first-come, first-served basis based upon the date of receipt of Shipper's request for service from Transporter; provided however, a Shipper willing to pay a higher rate shall have priority over a Shipper willing to pay only a lower rate. A Shipper paying a lower rate shall be entitled to pay the higher rate and retain its priority based solely on the date of receipt of Shipper's request for service and



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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

among Transporter's other first-come, first-served Shippers requesting quantities of gas to be scheduled in excess of the applicable contractual entitlement of Shipper. For purposes of comparing nominations based on price, a negotiated rate Customer paying a rate higher than the maximum recourse rate will be deemed to be paying a rate equal to such maximum recourse rate.

(f) Among Firm Transportation Shippers requesting quantities of gas to be scheduled in excess of the contractual entitlements of such Shippers.

Upon completion of such procedure, Transporter shall notify each Shipper of their quantities available under each of Transporter's rate schedules. A Shipper receiving interruptible transportation service shall not lose its priority for purposes of this Section 8 by the renewal or extension of the term of that service; provided, however, Shipper's preexisting priority shall not apply to any increase in transportation quantity or new point of delivery. Shipper shall not lose priority by adding or changing receipt point(s) applicable to that service; provided, however, a Shipper receiving interruptible transportation service shall not have priority for service from the new receipt point(s) over a preexisting firm or interruptible transportation customer receiving service from that point(s).

22.10 Allocation of Limited Capacity

If, on any day or month, due to any cause whatsoever, Transporter determines that the capacity of its system, or any portion thereof including the points at which gas is tendered for transportation is insufficient to serve all transportation requirements which are otherwise scheduled to receive service on such day, then any capacity which requires allocation shall be allocated by contract and location in a manner which results in curtailment of capacity to zero, if necessary, first to the last quantities schedule, and then sequentially in reverse order to the scheduling provided for in Section 9. If capacity must be allocated within the services included in (a), (b), (c), (d), and (f) of Section 9, such services shall be curtailed on a pro-rata basis within each service based upon quantities of gas schedule by such Shippers, unless another method of allocation (i.e. ranked, percentage, swing, or operator provided value) is agreed upon by the transporter and other party. If capacity must be allocated within the services included in (e) of Section 9, such services shall be curtailed according to the price ranking used for scheduling.

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
(Continued)

Subject to Section 9(e) of this Article 22, no Shipper receiving Interruptible transportation service may be curtailed due to a capacity limitation which is the result of a change in interruptible transportation for other Shippers; provided, however, that interruptible service may be curtailed due to a change in interruptible service for other Shippers where the change is due to (i) the correction of a previously existing conditions of the nature set forth in Article 9 of the General Terms and Conditions, or (ii) the correction of a previous scheduling error by Transporter.

Transporter will report to shippers any required allocations within one business day after the end of its gas day.

22.11 Use or Lose Provision

If during the prior 60 day period a Shipper receiving service pursuant to Transporter's Rate Schedule IT 1 has nominated for transportation less than 80% of the MDTQ under the Shipper's transportation contract with Transporter, than the MDTQ available to Shipper shall be reduced to an amount no less than the average daily nomination made by Shipper for such 60 day period. Transporter may waive the applicability of this Section on a basis which is not unduly discriminatory if Transporter determines, in its reasonable judgment, that

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22. NOMINATIONS AND SCHEDULING OF TRANSPORTATION SERVICES  
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application of this use or lose provision would produce unfair or inequitable results.

22.12 Transporter will determine and offer at least one pooling point, if requested to do so by Shipper.

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23. STANDARDS OF CONDUCT COMPLIANCE PROCEDURES

This section describes the information required by the Commission's Standards of Conduct regulations.

23.1 Informational Postings

All information required to be posted pursuant to the Commission's currently effective Standards of Conduct regulations will be provided on Pipeline's Internet Web Site under Informational Postings. Such information will be updated as required by applicable regulation(s) issued by the Commission.

23.2 Complaint Procedures

Complaints concerning Transporter's compliance with Pipeline's Standards of Conduct procedures should be communicated to Transporter with a designation that it is a Standards of Conduct regulatory complaint and shall contain a clear and complete statement of the nature and basis of the complaint, together with supporting documentation, if any. Information regarding the appropriate contact personnel shall be posted on Transporter's Internet Web Site. Transporter shall respond initially within forty-eight (48) hours and in writing within thirty (30) Days to such complaints. In the event the required date of Transporter's response falls on a Saturday, Sunday, or a holiday that affects Transporter, Transporter shall respond by the next Business Day.

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24. North American Energy Standards Board ("NAESB")

Except where this tariff provides otherwise, Transporter shall comply with the NAESB principles, definitions, and standards incorporated in Section 284.12 of the Commission's Regulations (18 C.F.R. 284.12) in accordance with Order No. 587, et.al. Promulgated by the FERC in Docket No. RM96-1. In addition to those NAESB definitions and standards elsewhere referred to in the Tariff, the following NAESB Standards are hereby incorporated by reference to the NAESB Standard Number and Version, into Transporter's FERC Gas Tariff.

NAESB Standards Version 1.8

0.1.3, 0.2.1, 0.2.2, 0.2.3, 0.3.1, 0.3.2, 0.3.3, 0.3.4, 0.3.5,  
0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10, 0.3.11, 0.3.12, 0.3.13,  
0.3.14, 0.3.15, 0.4.1. 1.1.9, 1.2.1, 1.2.2, 1.2.3, 1.2.5, 1.2.13,  
1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19, 1.3.2(vi), 1.3.24,  
1.3.25, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33,  
1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41,  
1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.47, 1.3.48, 1.3.49,  
1.3.50, 1.3.51, 1.3.52, 1.3.53, 1.3.54, 1.3.55, 1.3.56, 1.3.57,  
1.3.58, 1.3.59, 1.3.60, 1.3.61, 1.3.62, 1.3.63, 1.3.64, 1.3.65,  
1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73,  
1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.4.1, 1.4.2, 1.4.3, 1.4.4  
, 1.4.5, 1.4.6, 1.4.7, 2.2.4, 2.2.5, 2.3.13, 2.3.17, 2.3.19,  
2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.29, 2.3.30, 2.3.31,  
2.3.32, 2.3.33, 2.3.34, 2.3.35, 2.3.51, 2.3.52, 2.3.53, 2.3.54,  
2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62,  
2.3.63, 2.3.64, 2.3.65, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6,  
2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14,  
2.4.15, 2.4.16, 2.4.17, 2.4.18, 3.3.1, 3.3.2, 3.3.4, 3.3.5, 3.3.7,  
3.3.10, 3.3.12, 3.3.14, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26,  
3.4.1, 3.4.2, 3.4.3, 3.4.4, 4.1.6, 4.1.7, 4.1.40, 4.2.1, 4.2.2,  
4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11,  
4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19,  
4.2.20, 4.3.1, 4.3.2, 4.3.3, 4.3.5

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4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,  
4.3.26, 4.3.27, 4.3.28, 4.3.29, 4.3.30, 4.3.31, 4.3.32, 4.3.33,  
4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.39, 4.3.40, 4.3.41, 4.3.42,  
4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50,  
4.3.51, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.56, 4.3.57, 4.3.58,  
4.3.59, 4.3.60, 4.3.61, 4.3.62, 4.3.65, 4.3.66, 4.3.67, 4.3.68,  
4.3.69, 4.3.72, 4.3.73, 4.3.74, 4.3.75, 4.3.76, 4.3.78, 4.3.79,  
4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85, 4.3.86, 4.3.87,  
4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 5.3.7, 5.3.9, 5.3.10,  
5.3.30, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37,  
5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.43, 5.3.46, 5.3.47  
, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54,  
5.3.56, 5.3.57, 5.3.58, 5.4.1, 5.4.2, 5.4.3, 5.4.4, 5.4.5,  
5.4.6, 5.4.7, 5.4.8, 5.4.9, 5.4.10, 5.4.11, 5.4.12, 5.4.13,  
5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19, 5.4.20, 5.4.21,  
5.4.22, 5.4.23, 6.3.3, 6.5.4, 10.1.1-10.1.9, 10.2.1-10.2.38,  
10.3.1, 10.3.3-10.3.25

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25. INTERNET WEB SITE (IWS)

25.1 Transporter will provide an Internet Web Site (IWS) for the purpose of complying with the posting requirements of Order No. 636 and Order No. 587. Transporter's IWS can be accessed at <http://www.gasnom.com/ip/gsgt/>. Questions about IWS access and operation should be directed to Latitude Technologies, Inc., 11767 Katy Freeway, Suite 535, Houston, Texas 77079, (972) 747-1983. The IWS will include the following:

- (a) The ability for a Shipper to download required files;
- (b) The ability for a Shipper to submit transactions to Transporter (including nominations, and offers of or bids for released capacity) and to receive scheduled quantities.
- (c) The daily back-up of information displayed on the site, which will be retained for Shipper's review for at least three years;
- (d) A periodic purging of information on completed transactions from current files.
- (e) The display of most recent entries ahead of information posted earlier;
- (f) An on-line help and an on-line search function that permits users to locate all information concerning a specific transaction; and
- (g) A display menu that permits users to separately access notices of available capacity, the transportation log, and the standards of conduct information.

25.2 The following information will be obtainable through or posted on the IWS:

- (a) Transporter's FERC Gas Tariff
- (b) Transportation request form

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25. Internet Web Sits (IWS) (Continued)

25.2 The following information will be obtainable through or posted on the electronic bulletin board. (continued)

- (c) Standards of Conduct
- (d) Transportation request log
- (e) Receipt and delivery point lists
- (f) Transportation Imbalances
- (g) Available capacity at receipt and delivery points
- (h) Available IT capacity
- (i) Available or released FT capacity
- (j) Bids to purchase available FT capacity
- (k) Shippers desiring FT capacity
- (l) Any other information or notices necessary for Transporter and Shipper to arrange for transportation services.

Shippers transacting business on Transporter's IWS, agree to be bound by all the terms and conditions of Transporter's FERC Gas Tariff, Volume No. 1.

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26. CAPACITY RELEASE  
26.1 Purpose

This Article sets forth the specific terms and conditions which shall apply on a uniform, non-discriminatory basis to the right of firm Part 284 customers to release capacity entitlements on the Transporter's system.

26.2 Applicability

This Article is applicable to any customer that has executed a service agreement for firm transportation. Any such customer shall have the right to release any portion of the firm capacity entitlements it holds provided that the capacity released is acquired by a Replacement Customer pursuant to the terms of this Article.

26.3 General Provisions

Any firm customer is eligible to release its firm transportation capacity for use by a Replacement Customer subject to the provisions of this Article.

(i) A Releasing Customer may release any portion of its capacity for a minimum term of one day up to the remaining term of its firm service agreement.

(ii) Any Replacement Customer which has previously contracted for released capacity may also release the capacity to another party as long as the remaining term for the released capacity is for more than one month. While there is no restriction on the number of times capacity can be released, the original terms and conditions on release imposed by the Releasing Customer, including any right to recall the capacity will continue to apply to all subsequent releases.

(iii) Any party interested in acquiring capacity through this Capacity Release Program must submit all credit information required in Article 25 of these General Terms and Conditions and be prequalified before the party can submit bids under Transporter's capacity release program.

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26. CAPACITY RELEASE (Continued)

26.3 General Provisions

(iv) Transporter will enter into a Service Agreement with the Replacement Customer prior to the commencement of service which confirms the terms and conditions applicable to the released capacity. A Replacement Customer acquires all right

(v) Irrespective of the release of its capacity, the Releasing Customer remains bound and liable for performance under its service agreement unless excused in writing by Transporter. The excuse of performance under a service agreement of

(vi) A Releasing Customer may release capacity on a firm or recallable basis, but not both simultaneously.

(vii) Any specific release conditions requested by a Releasing Customer must relate solely to acquiring capacity on the Transporter's system, be operationally feasible, and be nondiscriminatory to other Shippers.

(viii) Upon electronic notification to Transporter, a bid may be withdrawn after it is received by Transporter at any time prior to the expiration of the bidding period. Once a bid from an approved bidder is accepted by Transporter, it sh

(ix) If the release of capacity is for more than one year, bids for released capacity, including bids for released capacity under negotiated rate agreements, may not exceed the maximum tariff rate including all surcharges for the applicabl

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26. CAPACITY RELEASE (continued)

26.4 Notice by Releasing Customer

A Releasing Customer that wishes to place capacity up for bid through Transporter's Capacity Release Program shall submit a complete notice to the Transporter's IWS that it elects to release firm capacity. The notice shall set forth the

(i) Releasing Customer's name and the name and title of the individual authorizing the release of capacity;

(ii) Service agreement number;

(iii) The maximum and minimum quantity of firm capacity which the Releasing Customer desires to release, expressed as a numeric quantity per day for transportation service;

(iv) The primary points of receipt and delivery at which the customer will release the capacity and the capacity to be released at each point;

(v) Whether the release is firm or recallable and subject to repute, and if so, the specific conditions for recall of the capacity and the repute method and rights, if applicable;

(vi) The requested effective date and the term of the release;

(vii) whether the proposed release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations or to a marketer participating in a state-mandated retail access progr

(viii) whether the Releasing Customer will allow the Replacement Customer to re-release the capacity acquired from the Releasing Customer;

(ix) Whether the Releasing Customer is willing to consider release for a shorter time period, and the time period that will be considered;

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26. CAPACITY RELEASE (continued)

26.4 Notice by Releasing Customer

(x) Whether contingent bids will be accepted for evaluation and, if so, for what time period each contingent bidder will be allowed to meet or eliminate the contingency; and, if not met or eliminated, all details concerning the evaluation

(xi) Whether the Releasing Customer is willing to consider releasing capacity at a minimum rate, including all surcharges, or at a rate lower than the maximum reservation rate for the applicable service, or if the Releasing Customer is willing to consider bids on a volumetric basis, the minimum reservation charge stated on a volumetric

(xii) Whether bids should be submitted in dollars and cents or percentages of maximum tariff rate.

(xiii) Whether the Releasing Customer wants Transporter to market its released capacity;

(xiv) The criteria which Transporter should apply in determining the "best bid" and any tie breaker to be applied in the event of equal bids, may be one of the following three standard evaluation methods; 1) highest rate, 2) net rev

(xv) The length of the bidding period desired.

Releasing Shipper shall not be allowed to specify an extension of the original Bid Period or the Prearrange deal matching period without posting a new release.

Capacity release facilitator should post offers and bids, including prearranged deals upon receipt, unless releasing Shipper requests otherwise. If a releasing Shipper requests a posting time, the capacity release service facilitator shou

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26. CAPACITY RELEASE (Continued)

26.4 Notice by Releasing Customer (Continued)

The Releasing Shipper may withdraw its Notice at any time prior to the close of the Bid Period associated with such notice, where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions have been made.

26.5 Notice of Pre-arranged Release

If the Releasing Customer has a Pre-arranged Replacement Customer for the released capacity, it must include in the notice required in this Article 26 the existence of a Pre-arranged Replacement Customer, the terms of the pre-arranged deal

26.6 Offers to Purchase Capacity

Any party interested in acquiring capacity through Transporter's Capacity Release Program may provide Transporter with a complete offer to purchase capacity. Transporter will post any such offer on its IWS for the period requested by the o

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26. CAPACITY RELEASE (continued)

26.7 Bidding Process

(a) Posting by Transporter: Transporter will post the release information on its IWS in accordance with Section 26.8 below. The bidding period shall commence on the day that the notice of released capacity is posted. In addition to the inf

(b) Bidding Period: The length of the bidding period for released capacity shall be as specified in the notice provided to Transporter by the Releasing Customer, but shall not be less than one (1) business day. All bids must be submitted du

(i) Bidder's legal, name, address, and the name and title of the individual(s) responsible for authorizing the bid;

(ii) The term of the proposed acquisition;

(iii) The maximum rate(s) Bidder is willing to pay for the capacity stated in ten-thousandths of one dollar (\$0.0000) per Dth per day per Month for reservation charges, or in hundredths of one cent (0.00¢) per Dth for volumetric rate bids;

(iv) The transportation quantity desired;

(v) The desired receipt and delivery point capacity of the transportation service;

GENERAL TERMS AND CONDITIONS  
(Continued)

26. CAPACITY RELEASE (continued)

26.7 Bidding Process

(vi) Whether Replacement Shipper is willing to acquire capacity rights subject to recall by the Releasing Shipper, and

(vii) Whether or not the Bidder is an affiliate of the Releasing Shipper.

Any bid received by Transporter during the bidding period shall be binding on the Bidder unless electronic notice of withdrawal is received by Transporter prior to the close of the bidding period. Bids cannot be withdrawn after the bid period ends. To be considered valid, the bid must satisfy the minimum terms imposed by the Releasing Customer.

26.8 Capacity Release Timeline

(a) The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be credit worthy before the capacity release bid is tendered and 2) there are no special terms or conditions of the release.

(b) Capacity Release Timeline:

For biddable releases (less than 1 year):

(1) offers should be tendered by 12:00 P.M. on a Business Day;

(2) open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);

(3) evaluation period ends and award posting if no match required at 2:00 P.M.;

(4) match or award is communicated by 2:00 P.M.;

(5) match response by 2:30 P.M.;

(6) where match required, award posting by 3:00 P.M.;

(7) contract issued within one hour of awarding posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

GENERAL TERMS AND CONDITIONS  
(Continued)

26. CAPACITY RELEASE (continued)

For biddable releases (1 year or more):

(8) offers should be tendered by 12:00 P.M. four Business Days before award;

(9) open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);

(10) evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;

(11) evaluation periods ends and award posting if no match required at 2:00 P.M.;

(12) match or award is communicated by 2:00 P.M.;

(13) match response by 2:30 P.M.;

(14) where match required, award posting by 3:00 P.M.;

(15) contract issued within one hour of award posting (with new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

Timely Cycle

(16) posting of prearranged deals not subject to bid are due by 10:30 A.M.;

(17) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time).

Evening Cycle

(18) posting of prearranged deals not subject to bid are due by 5:00 P.M.;

(19) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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26. CAPACITY RELEASE (continued)

Intraday 1 Cycle

(20) posting of pre-arranged deals not subject to bid are due by 9:00 A.M.;

(21) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

(22) posting of prearranged deals not subject to bid are due by 4:00 P.M.;

(23) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning a the next available nomination cycle for the effective date of the contract. (Central Clock Time)

GENERAL TERMS AND CONDITIONS  
(Continued)

26. CAPACITY RELEASE (Continued)

(c) Nominations accepted after notification of the winning bid. In the event Shipper has not executed the Contract prior to making its nomination, Shipper shall be deemed to have executed Transporter's pro forma Gas Transportation Contract.

26.9 Awarding of Released Capacity

Release capacity shall be made available on a non-discriminatory basis in accordance with the timeline described above. Wherein Transporter will evaluate all bids received, and select the "Best Bid" which will receive the released capacity. If there are awards of capacity for which there have been multiple bids meeting minimum conditions, the best bid shall be awarded first, until all offered capacity is awarded. Initially, Transporter will eliminate from consideration those bids which do not meet the minimum conditions established by the Releasing Customer and those bids which have not complied with Transporter's own creditworthiness criteria. If the Releasing Customer has provided alternative criteria for determining the "Best Bid," Transporter will apply those criteria to determine which bid receives the capacity. If no evaluation criteria have been provided by the Releasing Customer, Transporter will award the released capacity based on the application of the following criteria:

(i) If there is only one valid bid, Transporter will award the released capacity to that Bidder,

(ii) If more than one valid bid is received, Transporter will award the released capacity to the Bidder offering the maximum applicable rate for the maximum term specified by the Releasing Customer.

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26. CAPACITY RELEASE (continued)

26.9 Rewarding of Released Capacity

(iii) If more than one valid bid is received and none offers the maximum applicable rate for the maximum term, Transporter will award the capacity to the bid offering the maximum revenue over the minimum term specified by the Releasing Customer. Such maximum revenue shall be computed from the monthly demand charge or reservation revenues to be received over the minimum term of the release contract, except that under a Negotiated Rate agreement with a minimum quantity, the maximum revenue evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity.

(iv) If two or more equal bids are received, Transporter will award the capacity on the basis of the tie-breaker criteria provided by the Releasing Customer. If no tiebreaker criteria are provided by the Releasing Customer then capacity will be awarded on the basis of a lottery to be held within two (2) business days of the close of the bidding period. The lottery will be conducted by Transporter on a nondiscriminatory basis and on a one (1) business day's notice to the affected parties who will have the right to attend. Capacity shall be awarded on the basis of a draw, on an all or nothing basis.

For less than maximum rate transactions only, converting daily rate to monthly rate is accomplished by multiplying the daily rate times number of days in rate period, dividing the result by number of months in rate period and taking the remainder out to 5 decimal places and rounding up or down to the Transporter's specified decimal place. Converting a monthly rate to a daily rate is accomplished by multiplying the monthly rate by number of months in rate period, dividing the result by number of days in rate period and taking the remainder out to 5 decimal places and rounding up or down to the transporter's specified decimal place.

Transporter should not award capacity release offers to the Shipper until and unless the Shipper meets Transporter's creditworthiness requirements applicable to all services that it receives from Transporter, including the service represented by the capacity release.

GENERAL TERMS AND CONDITIONS  
(Continued)

26. CAPACITY RELEASE (continued)

26.10 Right of First Refusal

In the case of a pre-arranged bid, if the bid submitted by another Bidder exceeds the value of the bid submitted by the Pre-arranged Replacement Customer, the Pre-arranged Replacement Customer will be given the opportunity to match the terms of the best bid. Within one (1) hour of the close of the bidding period, Transporter will notify the Releasing Customer and the Pre-arranged Replacement Customer of the terms of the better bid. The Pre-arranged Replacement Customer will then have one (1) hour to match those terms. Otherwise, the capacity will be awarded to the other Bidder.

26.11 Capacity Not Released

The Releasing Customer shall retain all of the capacity that is not acquired by a Replacement Customer as the result of the bidding process or a pre-arranged deal.

26.12 Notice of Completed Transactions:

Immediately after capacity has been awarded pursuant to this Article 26, Transporter will post electronically a notice of completed transaction containing the following information:

- (i) term of release;
- (ii) price(s) as bid;
- (iii) primary receipt and delivery points;
- (iv) quantity in Dth;
- (v) whether the capacity is firm or firm recallable;
- (vi) the name of the Replacement Customer and whether the Replacement customer is affiliated with the Releasing Customer.

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GENERAL TERMS AND CONDITIONS  
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26. CAPACITY RELEASE (continued)

26.13 Execution of Agreements

Transporter's acceptance of a bid shall constitute a binding agreement between Transporter and the releasing Customer under which the Releasing Customer releases the capacity described in the accepted bid and a binding agreement between Transporter and the Replacement Customer under which the Replacement Customer acquires those rights of the Releasing Customer that are described in the accepted bid. Within one hour after posting of the capacity award, Transporter will provide electronically to the Replacement Customer a service agreement with a contract number for the capacity awarded. The Replacement Customer will be required to execute and return to Transporter within one day after receipt of such, a service agreement reflecting the terms of the released capacity. Once the service agreement has been executed, the terms of such agreement are not subject to amendment. At the election of Transporter, the Releasing Customer shall promptly execute such further documents as may be necessary to evidence its release of capacity.

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**First Revised Sheet No. 127** First Revised Sheet No. 127  
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26. CAPACITY RELEASE (Continued)

26.14 Obligations of Releasing Customer:

The Releasing Customer shall continue to be responsible and liable for its obligations under the service agreement. Without limitation, these obligations include the following:

(i) Unless otherwise agreed to by Transporter, the Releasing Customer shall continue to be liable for all demand or reservation and other on usage related charges owing under its service agreement up to the maximum rate specified in the ser

(ii) Transporter shall have the right to seek performance directly from the Releasing Customer with respect to the obligations owed by it to Transporter, before, after, or simultaneously with Transporter's attempt to seek performance from t

(iii) Each Releasing Customer agrees to protect and indemnify Transporter against, and to release and hold harmless against, any loss, liability or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by Transporter or such Releasing Customer arising out of or in connection with the prov

GENERAL TERMS AND CONDITIONS  
(Continued)

26. CAPACITY RELEASE (Continued)

26.14 Obligation of the Releasing Customer (continued)

(iv) Transporter will continue to bill the Releasing Customer for all reservation and related charges on a monthly basis, and the Releasing Customer shall make payment in accordance with Article 6 of this tariff. Simultaneous with the billings to Replacement Customer, pursuant to Section 15 (ii) below, Transporter shall credit to Releasing Customer, all reservation and related charges billed to Replacement Customer.

(v) For all released capacity subject to recall rights, the following recall notification periods shall apply:

Timely Recall Notification:

(1) Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely nominations are due;

(2) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely nominations are due (Central Clock Time);

Early Evening Recall Notification:

(3) Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening nominations are due;

(4) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening nominations are due (Central Clock Time);

Evening Recall Notification:

(5) Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening nominations are due;

(6) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening nominations are due (Central Clock Time);

Intraday 1 Recall Notification:

(7) Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 nominations are due;

(8) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 p.m. on the day that Intraday 1 nominations are due (Central Clock Time);

GENERAL TERMS AND CONDITIONS  
(Continued)

Intraday 2 Recall Notification:

(9) Releasing Shipper recalling capacity shall provide notice of such recall to the Transporter and the first Replacement Shipper no later than 2:30 p.m. on the day that Intraday 2 nominations are due;

(10) Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 3:30 p.m. on the day that Intraday 2 nominations are due (Central Clock Time).

For recall notification provided to Transporter prior to the recall notification deadline specified in NAESB WGC Standard No. 5.3.44 and received between 7:00 a.m. and 5:00 p.m., Transporter shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

(vi) For the recall notification provided to Transporter, the quantity shall conform to Transporter's capacity recall notification specification. Transporter requires that the quantity must be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity.

(vii) Any Releasing Customer with recall rights, which include reput rights, may re-release without re-posting the recalled capacity to the original Replacement Customer, subject to the terms negotiated between the Releasing Customer and Replacement Customer.

(viii) In the event of termination of Releasing Customer's Service Agreement with Transporter, Replacement Customer's Service Agreement with Transporter is deemed terminated unless Replacement Customer agrees to pay the lower of: (1) the former Releasing Customer's contract rate or (2) the maximum tariff rate for the service for the remainder of the Replacement Customer's service agreement.

26.15 Obligation of Replacement Customer: By executing a service agreement for released capacity, the Replacement Customer agrees that it will comply with the terms and conditions of Transporter's FERC Gas Tariff

(i) The Replacement Customer agrees to indemnify Transporter against and to release and hold Transporter harmless against any loss, liability, or expense (including, without limitation, court costs and attorneys' fees) incurred or suffered by Transporter or the Replacement Customer arising out of or in connection with the provisions of this Article except

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26. CAPACITY RELEASE (Continued)

26.15 Obligations of Replacement Customer (Continued)

(ii) The Replacement Customer shall be liable for the portion of the demand or reservation charges specified in its service agreement, along with all commodity related charges applicable to its service utilization, and all applicable penal

26.16 Marketing Fee

Transporter will charge a Marketing fee to be negotiated between Transporter and the Releasing Customer where Transporter successfully markets the released capacity on the Releasing Customer's behalf.

26.17 Formal Notices

Transporter should provide the original releasing shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Transporter to the releasing shipper's replacement shipper(s), of th

(i) Notice to the replacement shipper regarding the replacement shipper's past due, deficiency, or default status pursuant to Transporter's tariff;

(ii) Notice to the replacement shipper regarding the replacement shipper's suspension of service notice;

(iii) Notice to the replacement shipper regarding the replacement shipper's contract termination notice due to default or credit-related issues; and

(4) Notice to the replacement shipper that the replacement shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Transporter's tariff.

26.18 Permanent Capacity Releases

To the extent that any Customer desires to release all or any part of its firm rights on a permanent basis, the procedures specified in this Section 26 shall apply. In addition, the Replacement Customer that will acquire the capacity from

GENERAL TERMS AND CONDITIONS  
(Continued)

27. PREGRANTED ABANDONMENT

27.1 Short Term, discounted and Interruptible Contracts: A Shipper receiving service under a firm transportation contract having a primary term of less than 12 consecutive months ("short term firm transportation contract") or a primary term of more than 12 consecutive months at less than the maximum rate, or under an interruptible transportation contract retains no right to continued service after the termination of such contract. Upon termination of a short term or interruptible transportation contract, Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of such termination date, and shall not be required to seek case-specific authorization prior to abandoning service.

27.2 Long Term Contracts. Right of First Refusal: Transportation contracts which have a primary term of 12 consecutive months or more at the maximum rate or multi-year seasonal service at the maximum rate and which contain rollover or evergreen provisions are not subject to pre-granted abandonment under this Article 30. This right of first refusal shall apply only to (1) firm service agreements with a term of 12 or more consecutive months of service at the applicable Recourse Rate for that service, or (2) firm multi-year seasonal service agreements at the applicable Recourse Rate for that service. A "firm multi-year seasonal service agreement" as used in this Section 27 is a firm service agreement that has multi-year term but does not provide for 12 consecutive months of service. A Shipper receiving service under a transportation contract having a primary term of 12 consecutive months or more or firm multi-year seasonal service at the maximum rate ("long term transportation contract") which does not contain a rollover provisions may avoid pregranted abandonment of service in connection with the termination of its transportation contract and continue to receive service by matching the rate and contract term bid by a competing Shipper in accordance with the procedures described below. If the Shipper does not satisfy the bid matching requirements of this Article, Shipper shall no longer have a right to continued service as of the effective date of Transporter's notice of termination. If no other bids are received and the Shipper does not agree to pay the maximum rate, and Transporter and the Shipper do not otherwise agree on the continuation of service, then Shipper shall no longer have a

GENERAL TERMS AND CONDITIONS  
(Continued)

27. PREGRANTED ABANDONMENT (Continued)

27.2 Long Term Contracts (continued)

right to continued service as of the effective date of Transporter's notice of termination. In the event of termination, Transporter shall have all necessary abandonment authorization under the Natural Gas Act. However, a Shipper agreeing to pay the maximum rate is entitled to continue service for whatever term it chooses.

27.3 Notice and Posting: At least sixty (60) business days prior to the expiration of a long term firm transportation contract, Transporter will serve on the affected Shipper a notice of termination advising the Shipper of the pending termination of its agreement and of the Shipper's right to retain its service entitlement by matching the rate and contract term bid by a competing Shipper. At the same time, Transporter will post the available capacity on its IWS, including the quantity available, receipt and delivery points and maximum applicable rate. The notice will remain posted for thirty (30) days, until the end of the bidding period.

27.4 Bidding: Potential Shippers interested in acquiring the service must submit offers to contract for all or part of the available capacity by 5 p.m. thirty (30) business days after the capacity is posted to the IWS. To be valid, a bid must provide all information and data required by Article 25 of Transporter's General Terms and Conditions. In addition, the potential Shipper must provide a refundable prepayment equal to one month's reservation charge based on the quantity desired and the requested price.

GENERAL TERMS AND CONDITIONS  
(Continued)

27. PREGRANTED ABANDONMENT (Continued)

27.5 Best Bid: At the close of the bidding period, Transporter will evaluate all bids received for completeness, rate acceptability and credit-worthiness, and will choose the offer it will accept if the existing Shipper chooses not to match the offer ("the best bid"). For purposes of this Article, the best bid shall be the bid which offers the maximum applicable rate for the full term of the bid which shall not exceed five years. If no bidder offers the maximum rate for the full term of the bid, Transporter may select the best bid based on the maximum revenue over the minimum term of the bid. Such maximum revenue shall be calculated on the basis of the monthly demand charge or reservation revenues to be received over the minimum term of the bid, except that if a bid includes a minimum quantity, the maximum revenue evaluation shall also include the fixed cost component of the usage revenue at the minimum quantity. However, Transporter shall not be required to accept any offer at less than the maximum rate.

27.6 Matching Offer by Existing Shipper: Transporter will notify the existing Shipper of the relevant terms of the best bid. The Shipper will then have twenty (20) business days to notify Transporter that it elects to continue service under the rates and terms applicable to the best bid, and agrees to execute a new transportation contract reflecting those rates and terms, provided, however, that the highest rate that an existing Shipper must match to retain all or a portion of its capacity is the applicable maximum recourse rate. If the existing Shipper agrees to match the best bid, Transporter will refund the prepayments made by all other bidders. Failure to notify Transporter within the 20 day period constitutes a non-revocable waiver of Shippers right to match the best bid, and will result in the abandonment of service to that Shipper. If the existing Shipper chooses not to match the best bid, Transporter will offer the service to the selected bidder. If, for whatever reason, service is not actually provided pursuant to the bids, Transporter will repost the available capacity on its IWS, and the bidding process will repeat.

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27. PREGRANTED ABANDONMENT (continued)

27.7 No Acceptable Offers. If Transporter receives no acceptable bids for the available capacity, or if Transporter receives acceptable bids for only a portion of the capacity, Transporter and the current Shipper may negotiate the terms of a new transportation contract for the remainder of the available capacity.

GENERAL TERMS AND CONDITIONS  
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28. OPERATIONAL BALANCING AGREEMENTS

28.1 General: Any imbalances arising under any transportation agreement at Delivery Points from Transporter's pipeline system, which Delivery Points are subject to Operational Balancing Agreements as more fully described below, on the day or days such imbalances arise, will be resolved by Transporter pursuant to the terms of the applicable Operational Balancing Agreement.

28.2 Terms Governing: For the purpose of minimizing operational conflicts between various natural gas facilities with respect to the delivery of gas to and from Transporter's system, Transporter is willing to negotiate and execute Operational Balancing Agreements with Shippers whose natural gas facilities interconnect with Transporter's system. Such Operational Balancing Agreements shall specify the gas custody transfer procedures to be followed by Transporter/Shipper for the confirmation of scheduled quantities to be received by Transporter at Receipt Points and delivered by Transporter at Delivery Points. Such Operational Balancing Agreements will provide that any variance between actual quantities and scheduled and confirmed quantities for any day shall be resolved in-kind promptly, or pursuant to such cash out provisions as Transporter and the Shipper may agree upon. To facilitate such determination of variances on a timely basis, Transporter and the Shipper will agree in the Operational Balancing Agreement on necessary measurement and accounting procedures. Transporter shall post on its IWS those Delivery Points which are subject to an Operational Balancing Agreement. Transporter will also provide to any party upon request a copy of any executed Operational Balancing Agreement.

GENERAL TERMS AND CONDITIONS  
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28. OPERATIONAL BALANCING AGREEMENTS

28.3 Prerequisites to Execution: It is Transporter's intent to negotiate and execute Operational Balancing Agreements on a non-discriminatory basis with all Delivery Point Operators. However, Transporter shall have no obligation to negotiate and execute Operational Balancing Agreements with any Operator that:

(a) is not credit-worthy as determined pursuant to Article 25 of these General Terms and Conditions;

(b) does not maintain a dispatching operation which is staffed on a continuous, around-the-clock basis;

(c) would cause an increase in the level of regulation which Transporter is subject to prior to the execution of the applicable Operational Balancing Agreement; or

(d) does not commit to timely determination of imbalances based on reasonable available measurement technology.

28.4 Right to Protect System Integrity: Nothing in this Article nor any executed Operational Balancing Agreement shall limit Transporter's rights to take action as may be required to adjust receipts and deliveries under any transportation agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Transporter's pipeline system, including maintenance of service to higher priority Shippers or services.

GENERAL TERMS AND CONDITIONS  
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29. OPERATIONAL FLOW ORDERS

29.1 Due to the effects of changes in weather, gas demands, flowing gas supplies and/or other factors, it may be necessary for Transporter to informally, via telephone or facsimile, request adjustments in the portfolio of flowing gas supplies of a Shipper(s)/Operator(s) to accommodate the demands on Transporter's system. If Transporter does not receive full cooperation from its informal request(s), it may be necessary for Transporter to issue Operational Flow Orders (OFO) on a non-discriminatory basis to control the situation(s). Transporter will make every reasonable effort to minimize the issuance and the effect of OFOs on its system and customers. All OFOs will be posted on Transporter's IWS to be followed by a facsimile or written notice to affected Shipper(s)/Operator(s) that will set forth the causes or conditions necessitating the OFO and the specific responses required from the affected parties. Once an OFO has been issued, Transporter will post on its IWS available information regarding the status of operational variables that determine the beginning and end of the OFO. In addition, after the OFO has been lifted, Transporter will post on its IWS information regarding the factors that caused the OFO to be issued and then lifted. Electronic Notice Delivery shall be according to the following provisions:

(1) Transporter should provide affected parties with notification of intraday bumps, operational flow orders and other critical notices through the affected party's choice of Electronic Notice Delivery mechanism(s).

(2) Unless the affected party and Transporter have agreed to exclusive notification via EDI/EDM, the affected party should provide Transporter with at least one Internet E-mail address to be used for Electronic Notice Delivery of intraday bumps, operational flow orders and other critical notices. The obligation of Transporter to provide notification is waived until the above requirement has been met.

(3) Transporter should support the concurrent sending of electronic notification of intraday bumps, operational flow orders and other critical notices to two Internet E-mail addresses for each affected party.

29.2 Circumstances under which Transporter may determine that OFOs must be issued include, but are not limited to:

- (a) Responding to an event of force majeure;
- (b) Accommodating maintenance and repairs;
- (c) Ensuring current and future maintenance of line pack;  
and
- (d) Responding to any event that Transporter believes in its sole judgment may jeopardize the integrity of its system.

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29. OPERATIONAL FLOW ORDERS (continued)

29.3 Upon the issuance of an OFO by Transporter, it shall be incumbent upon each Shipper/Operator to adjust gas supplies as directed. Such response shall be required within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper's/Operator's service and may cause Shipper/Operator to be subject to an unauthorized overrun charge, as provided for in Rate Schedule LMS contained in Transporter's Tariff. Provided, however, a Shipper/Operator shall not incur any charges or penalties if such charges or penalties would not have been incurred but for compliance with the OFO.

29.4 In the event Shipper(s)/Operator(s) does not respond to the OFO and Transporter believes it is necessary to take actions (i.e., buying or selling gas, etc.) to maintain system integrity or to prevent interrupting service to another Shipper/Operator, Transporter shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If Transporter takes these actions, it shall be made whole by the non-responding Shipper(s)/Operator(s) for all costs that Transporter incurs.

29.5 Transporter shall not be liable for any costs incurred by any Shipper/Operator in complying with the OFO.

29.6 Transporter shall not be responsible for any damages that result from any interruption in Shipper's/Operator's service that is a result of a Shipper's/Operator's failure to comply promptly and fully with an OFO and the non-complying Shipper(s)/Operator(s) shall indemnify Transporter against any claims of responsibility.

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29. OPERATIONAL FLOW ORDERS (Continued)

29.7 Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, Transporter will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.

29.8 OFO Notice, Contents, and Procedures: Transporter shall issue an OFO as expeditiously as is reasonably practicable in the circumstances. Each OFO will contain the following provisions:

(a) time and date of issuance;

(b) time that OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);

(c) duration of the OFO (if none is specified, the OFO will be effective until further notice);

(d) the party or parties in the attached pipeline segment receiving the OFO;

(e) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and

(f) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO.

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30. NEGOTIATED RATES

Pipeline and Customer may mutually agree on a negotiated rate formula with respect to rates, rate components, charges, or credits differing from the otherwise applicable recourse rate under Rate Schedules FT-1, FT-NN, and IT-1.

30.1 Definition.

A negotiated rate may be less than, equal to, or greater than the maximum recourse rate; shall not be less than the minimum recourse rate; may be a rate design other than straight fixed-variable; and may include a minimum quantity.

30.2 Limitations.

This Section 30 does not authorize the negotiation of terms and conditions of service.

30.3 Recourse Rate Availability.

The recourse rate will be available to any customer that does not wish to negotiate a rate.

30.4 Allocation of Capacity.

Under any circumstances where allocation of capacity is determined by the rate being paid, a negotiated rate Customer paying a rate higher than the maximum recourse rate will be deemed to be paying a rate equal to such maximum recourse rate.

30.5 Bidding for Capacity

The cap for bidding for capacity under the right of first refusal provisions in Section 30 of the General Terms and Conditions of this FERC Gas Tariff is the maximum recourse rate.

30.6 Capacity Release.

The release of capacity under a negotiated rate agreement is capped at the maximum recourse rate; provided, however, the negotiated rate Customer will continue to be obligated to pay Transporter the difference by which the negotiated rate exceeds the rate paid by the Replacement Customer. Transporter and a negotiated rate Customer may agree upon payment obligations and crediting mechanisms which vary from or are different from those set forth in Transporter's capacity release provisions.

30.7 Accounting Treatment.

Transporter will establish a new sub-account to record the revenues received from any negotiated rate transactions and shall maintain supporting information at a level of detail that would be sufficient for Natural Gas Act Section 4 rate change filing purposes. Transporter will keep separate and identifiable each volume transported, billing determinant, rate component, surcharge, and revenue associated with a negotiated rate to permit filings in the form of Statements G, I, and J in future rate proceedings.

30.8 Filing Requirement.

Transporter will file, prior to the commencement of service under a negotiated rate agreement, a tariff sheet reflecting the customer's name, rate schedule, negotiated rate, contract quantities, and points of receipt and delivery. Such sheet also affirms that actual negotiated rate agreements do not deviate in any material respect from the form of service agreements.

*Effective Date: 03/01/2010 Status: Effective*

*FERC Docket: RP10-322-000*

**Original Sheet No. 141** Original Sheet No. 141

GENERAL TERMS AND CONDITIONS  
(Continued)

32.9 Negotiated Rate Agreements  
None.

*Effective Date: 03/01/2010 Status: Effective*  
*FERC Docket: RP10-322-000*

**Original Sheet No. 142** Original Sheet No. 142

GENERAL TERMS AND CONDITIONS  
(Continued)

31. OFFSYSTEM PIPELINE CAPACITY

From time to time, Transporter may acquire capacity on a third-party system. When Transporter acquires such offsystem capacity, it will utilize the offsystem capacity to provide service to Transporter's shippers under its FERC Gas Tariff, and the "shipper must have title" policy is waived to permit such use. This Section 31 does not preclude Transporter from seeking case specific authorization for the utilization of off-system capacity by Transporter for other purposes.

GENERAL TERMS AND CONDITIONS  
(Continued)

32. Imbalance Netting and Trading

(a) Definitions. For purposes of this Section 36 the following definitions shall be applicable:

(1) "Operational Impact Area" is the term used to describe Transporter's designation of the largest possible area(s) on its system in which imbalances have a similar operational effect.

(2) "Netting" is the term used to describe the process of resolving imbalances for Shipper within an Operational Impact Area. There are two types of Netting: (a) summing is the accumulation of all imbalances above any applicable tolerances for Shipper or agent; and (b) offsetting is the combination of positive or negative imbalances above any applicable tolerances for Shipper or agent.

(b) Month-end Imbalances.

(1) Transporter shall allow Shipper (including agents of Shipper) to net imbalances within the same Operational Impact Area on and across service agreements with Shipper and to trade imbalances within the same Operational Impact Area.

(2) Transporter shall provide Shippers the ability to post and trade imbalances until at least the close of the seventeenth (17th) business day of the month.

(3) Transporter shall provide Shippers the ability to view and, upon request, download posted imbalances.

(4) Imbalances to be posted for trading should be authorized by Shipper.

(5) Authorizations to post imbalances that are received by Transporter by 11:45 a.m. (C.T.) should be effective by 8:00 a.m. (C.T.) the next business day. Imbalances previously authorized for posting should be posted on or before the ninth (9th) business day of the month.

(6) Transporter is not required to post zero imbalances.

(7) Netting, posting, and trading of imbalances shall be accomplished based upon Transporter's current method for accounting for imbalances.

(8) Transporter shall enable the imbalance trading process by: receiving the Request for Imbalance Trade, receiving the Imbalance Trade Confirmation, sending the Imbalance Trade Notification, and reflecting the trade prior to or on the next monthly Shipper Imbalance.

(9) When trading imbalances, Shippers shall specify a quantity.

(10) Imbalance trades can only be withdrawn by the initiating trader and only prior to the confirming trader's confirmation of the trade. Imbalance trades are considered final when confirmed by the confirming trader and effectuated by Transporter.

(11) After receipt of an Imbalance Trade Confirmation, Transporter shall send the Imbalance Trade Notification to the initiating trader and the confirming trader no later than twelve (12) noon (C.T.) the next business day.

(12) To account for any imbalances after imbalance trading, where Transporter associates such imbalance with a service agreement, Shipper and Transporter shall agree to designate one of Shipper's valid service agreements in the Operational Impact Area where the original imbalance occurred, for such purpose.

Effective Date: 03/01/2010 Status: Effective

FERC Docket: RP10-322-000

**Original Sheet No. 144** Original Sheet No. 144

SERVICE CONTRACTS  
INDEX

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Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

Original Sheet No. 145 Original Sheet No. 145

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)

THIS AGREEMENT is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and \_\_\_\_\_, hereinafter referred to as "Shipper". Granite State and Shipper shall collectively be referred to herein as the "Parties". The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit \_\_\_\_ hereto.

W I T N E S S E T H :

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I  
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be \_\_\_\_\_ dekatherms for 12 consecutive months of service, or \_\_\_\_\_ dekatherms (winter period) and \_\_\_\_\_ dekatherms (summer period) for seasonal service. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit(s) \_\_\_\_\_ attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation".

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FERC Docket: RP10-322-000

**Original Sheet No. 146** Original Sheet No. 146

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE I  
DEFINITIONS (continued)

1.3 EQUIVALENT QUANTITY - shall mean that the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-1, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter or for Transporter's account, on any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

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FERC Docket: RP10-322-000

**Original Sheet No. 147** Original Sheet No. 147

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE II  
SCOPE OF AGREEMENT (continued)

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III  
RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibit(s) \_\_\_\_\_ attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 148** Original Sheet No. 148

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE V  
RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI  
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) \_\_\_\_\_ attached hereto.

ARTICLE VII  
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-1.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 149** Original Sheet No. 149

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE VII

RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE (continued)

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-1.

7.3 NEW FACILITIES CHARGE -

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7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-1, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII  
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 150** Original Sheet No. 150

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE IX  
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-1 and to the General Terms and Conditions incorporate therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X  
REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulator approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI  
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

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FERC Docket: RP10-322-000

**Original Sheet No. 151** Original Sheet No. 151

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE XII  
TERM

12.1 This Contract shall become effective as of \_\_\_\_\_, 20\_\_ and shall remain in force and effect until \_\_\_\_\_, and from \_\_\_\_\_ to \_\_\_\_\_ 1/ thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term.2/

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customers traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

Original Sheet No. 152 Original Sheet No. 152

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE XII  
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII  
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

GRANITE STATE:

Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, New Hampshire 03842

Attention: Transportation Services

Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 153** Original Sheet No. 153

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE XIV  
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV  
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

Original Sheet No. 154 Original Sheet No. 154

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-1 Rate Schedule)  
(Continued)

ARTICLE XV  
MISCELLANEOUS (continued)

15.4 Exhibit(s) \_\_\_\_\_ attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

\_\_\_\_\_

accepted and Agreed to this \_\_\_\_ Day of \_\_\_\_\_, 20\_\_.

SHIPPER

\_\_\_\_\_

ATTEST

\_\_\_\_\_

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

Original Sheet No. 155 Original Sheet No. 155

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and \_\_\_\_\_, hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit \_\_\_\_\_ hereto.

W I T N E S S E T H:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I  
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be \_\_\_\_\_ dekatherms for 12 consecutive months of service, or \_\_\_\_\_ dekatherms (winter period) and \_\_\_\_\_ dekatherms (summer period) for seasonal service. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit(s) \_\_\_\_\_ attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

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FERC Docket: RP10-322-000

**Original Sheet No. 156** Original Sheet No. 156

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE I  
DEFINITIONS (continued)

1.3 EQUIVALENT QUANTITY - shall mean that the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Transportation Service- Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter or for Transporter's account, on any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

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FERC Docket: RP10-322-000

**Original Sheet No. 157** Original Sheet No. 157

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE II  
SCOPE OF AGREEMENT (continued)

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III  
RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those points specified on Exhibit(s) \_\_\_\_\_ attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

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FERC Docket: RP10-322-000

**Original Sheet No. 158** Original Sheet No. 158

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE V  
RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI  
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) \_\_\_\_\_ attached hereto.

ARTICLE VII  
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

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Original Sheet No. 159 Original Sheet No. 159

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE VII

RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE (continued)

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE -

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7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII  
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 160** Original Sheet No. 160

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE IX  
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporate therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X  
REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulator approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI  
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

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**Original Sheet No. 161** Original Sheet No. 161

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE XII  
TERM

12.1 This Contract shall become effective as of \_\_\_\_\_, 20\_\_ and shall remain in force and effect until \_\_\_\_\_, and from \_\_\_\_\_ to \_\_\_\_\_ 1/ thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term.2/

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

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**Original Sheet No. 162** Original Sheet No. 162

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE XII  
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII  
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

Granite State:

Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, New Hampshire 03842

Attention: Transportation Services

Shipper:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

Effective Date: 03/01/2010 Status: Effective  
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**Original Sheet No. 163** Original Sheet No. 163

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE XIV  
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV  
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 164** Original Sheet No. 164

GAS TRANSPORTATION CONTRACT  
(For Use Under FT-NN Rate Schedule)  
(Continued)

ARTICLE XV  
MISCELLANEOUS (continued)

15.4 Exhibit(s) \_\_\_\_\_ attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

\_\_\_\_\_

Accepted and Agreed to this \_\_\_\_ Day of \_\_\_\_\_, 20\_\_.

SHIPPER

\_\_\_\_\_

ATTEST

\_\_\_\_\_

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

Original Sheet No. 165 Original Sheet No. 165

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and \_\_\_\_\_, hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provide hereunder shall be on behalf of the Company or Companies listed on Exhibit \_\_\_\_\_ hereto.

W I T N E S S E T H:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I  
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be \_\_\_\_\_ dekatherms. Any limitations of the quantities to be received at each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit(s) \_\_\_\_\_ attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Point(s) of Receipt. Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

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**Original Sheet No. 166** Original Sheet No. 166

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE I  
DEFINITIONS (continued)

1.3 EQUIVALENT QUANTITY - shall mean that the quantities of gas delivered hereunder at the Point(s) of Receipt for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II  
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on an interruptible basis, as determined in Granite State's sole opinion, at the Point(s) of Receipt, from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity of gas.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter or for Transporter account, on any day, less the Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Point(s) of Delivery for Shipper's account on a daily basis is subject to the following:

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GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE II  
SCOPE OF AGREEMENT (continued)

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporters to receive quantities of gas at the applicable upstream Point of Delivery upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Point of Receipt.

ARTICLE III  
POINTS OF RECEIPT AND DELIVERY

3.1 The Point(s) of Delivery and Points of Receipt shall be those points specified on Exhibit(s) \_\_\_\_\_ attached hereto. All Receipt Points on Transporter's system will be included on a Master Receipt Point List and shall be available as Receipt Points hereunder. The Master Receipt Point List will be revised by Transporter from time to time and Shipper agrees to accept such changes.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

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**Original Sheet No. 168** Original Sheet No. 168

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE IV

All Facilities are in place to render the service provided for in this Contract, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V  
RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s), or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI  
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) \_\_\_\_\_ attached hereto.

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**Original Sheet No. 169** Original Sheet No. 169

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE VII  
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule IT-1.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State the fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule IT-1.

7.3 NEW FACILITIES CHARGE -

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7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule IT-1, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

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**Original Sheet No. 170** Original Sheet No. 170

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE VIII  
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX  
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule IT-1 and to the General Terms and Conditions incorporate therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X  
REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulator approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

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**Original Sheet No. 171** Original Sheet No. 171

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(continued)

ARTICLE XI  
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII  
TERM

12.1 This Contract shall become effective on the date of execution and shall remain in full force and effect for a term of \_\_\_\_\_, and shall remain in force from month to month thereafter unless terminated by either party upon thirty (30) days prior written notice to the other party.

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's FERC Tariff.

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**Original Sheet No. 172** Original Sheet No. 172

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE XIII  
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

Granite:  
Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, New Hampshire 03842  
  
Attention: Transportation Services

Shipper: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV  
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

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**Original Sheet No. 173** Original Sheet No. 173

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE XIV  
ASSIGNMENTS (continued)

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV  
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

Effective Date: 03/01/2010 Status: Effective  
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**Original Sheet No. 174** Original Sheet No. 174

GAS TRANSPORTATION CONTRACT  
(For Use Under IT-1 Rate Schedule)  
(Continued)

ARTICLE XV  
MISCELLANEOUS (continued)

15.4 Exhibit(s) \_\_\_\_\_ attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

\_\_\_\_\_

Accepted and Agreed to this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_.

SHIPPER

\_\_\_\_\_

ATTEST

\_\_\_\_\_

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 175** Original Sheet No. 175

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)

This Agreement dated and effective \_\_\_\_\_,  
20\_\_ by and between Granite State Gas Transmission, Inc. (Granite  
State) and \_\_\_\_\_, (Operator).

W I T N E S S E T H

WHEREAS, Granite State transports natural gas at the  
delivery point(s) specified in Exhibit "A" attached hereto  
(Delivery Points) and Operator receives such gas from Granite  
State;

WHEREAS, the gas actually delivered at the Delivery Point(s)  
is at times different than the quantities nominated to be  
transported by Granite State from those points;

WHEREAS, Granite State and Operator desire to aggregate all  
quantities delivered at all of the Delivery Points for balancing  
purposes and to allocate the transportation of natural gas from  
the Delivery Point(s) based upon scheduled quantities and to  
allocate any difference between such scheduled quantities and  
actual deliveries at the Delivery Point(s) (Operational Imbalance)  
to this Agreement; and WHEREAS, Granite State and Operator desire  
to correct the Operational Imbalances in subsequent periods in  
accord with Transporter's Rate Schedule LMS; and

WHEREAS, Granite State and Operator desire to implement  
operating rules designed to encourage conduct that maintains  
Granite State's system balance in a manner that facilitates the  
movement of gas for transportation purposes; and

NOW, THEREFORE, Granite State and Operator agree as follows:

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**Original Sheet No. 176** Original Sheet No. 176

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

ARTICLE I  
NOMINATIONS AND CONFIRMATIONS

Confirmation of Nominations - Prior to the beginning of the month in which service is to commence, Granite State and Operator shall confirm the quantities nominated to be transported by Granite State at the Delivery Point(s) commencing on the first day of the month following the confirmation. The quantities determined through this confirmation and reconciliation shall be the "Scheduled Quantities." Any modification to such scheduled quantities shall be confirmed by Granite State and Operator prior to the commencement of the revised service. Granite State shall provide evidence of such scheduled quantities (in writing) within two business days after such confirmation, unless mutually agreed to otherwise. Operator shall notify Granite State of any errors in the scheduled quantities within two business days of receipt of such information from Granite State. If Operator fails to respond to Granite States request to confirm the quantities to be transported at any Delivery Point(s) in accordance with the above, then this Agreement shall terminate upon written notice from Granite State at the end of that calendar month.

Allocations Based on Scheduled Quantities - The Parties intend that the quantity actually delivered at the Delivery Point(s) will be equal to the scheduled quantities. Operator shall use all reasonable efforts to ensure that the quantities actually delivered at the Delivery Point(s) are equal to the scheduled quantities. Unless prohibited by applicable law or regulation, all transportation services by Granite State shall be allocated each day based upon the scheduled quantities set forth above, or by such other methods as may be mutually agreed to by both Parties.

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**Original Sheet No. 177** Original Sheet No. 177

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

Allocation of Variances - The difference on any day between the scheduled quantities set forth above and the actual quantity delivered at the Delivery Point(s) shall be the Daily Operational Imbalance and shall be allocated to this Agreement. The difference between the sum of the scheduled quantities set forth above during a calendar month shall be the Monthly Operational Imbalance. Any Operational Imbalances will be corrected in accordance with Article II.

Reports on Actual Deliveries - Should Granite State not have the ability to monitor actual deliveries at any Delivery Point on a daily basis, Operator shall provide to Granite State the best available information compiled on a daily basis on the actual deliveries at such Delivery Point(s) within two business days after the date of delivery.

ARTICLE II  
CORRECTION OF OPERATIONAL PENALTIES

Correction in Flow Rates During A Day - Operator will be able to request adjustments to actual deliveries at its Delivery Points at any time during the day by coordinating with Granite State's gas dispatchers. Granite State will use reasonable efforts to deliver those changed quantities when the operating conditions on Granite State's system permits, taking into consideration the nominations made by firm customers on Granite State's system.

Corrections During the Month - Estimated metered quantities, or actual metered quantities where available, may be used by Granite State for purposes of adjustments under this Section on a daily basis during the month to determine the estimated Operational Imbalance at all of the Delivery Point(s). Granite State shall make the estimated Daily and Monthly Operational Imbalance at each

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**Original Sheet No. 178** Original Sheet No. 178

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

Delivery Point available to Operator by the third business day after each day. Adjustments in nominations and actual deliveries will be made by Operator during the month to adequately control imbalance levels. If Operator fails to take such corrective action, Granite State may, upon 48 hours notice, adjust the nominations and actual deliveries during the remainder of the month to adequately control imbalance levels. Any such adjustments will be incorporated in the scheduled quantities.

Corrections in Subsequent Periods - As soon as practicable following the close of each month, Granite State will send Operator a statement setting forth the Operational Imbalance existing at the end of the prior month. Any Monthly Operational Imbalance shall be corrected in accordance with Rate Schedule LMS of Transporter's tariff.

Measurement of Operational Imbalance - Measurement of gas for all purposes shall be in accordance with Granite State's FERC Gas Tariff.

Operational Integrity - Nothing in this Article II shall limit Granite State's right to take action as may be required to adjust deliveries of gas in order to alleviate conditions which threaten the integrity of its system.

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**Original Sheet No. 179** Original Sheet No. 179

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

ARTICLE III  
TERM

Duration of Agreement - Subject to the other termination rights provided herein, this Agreement shall be in full force and effect from the date hereof for a primary term commensurate to that of the underlying converted sales or new transportation contract at the Delivery Point(s) (including all extension rights provided in the converted or new transportation contract), and shall continue thereafter on a month-to-month basis unless canceled by either Party upon thirty days' prior written notice with the termination to be effective at the end of a calendar month. Notwithstanding the above, if any material problems arise as a result of the provisions of this Agreement, then the Parties will enter into good faith negotiations to amend this Agreement to resolve such problems. If the parties are unable to resolve such problems as a result of such negotiations, then either Party may terminate this Agreement upon forty-eight (48) hours' prior written notice, with the termination to be effective at the end of a calendar month.

Continuing Obligations - Following the termination of this Agreement, any remaining Operational Imbalance shall be corrected in cash in accordance with Rate Schedule LMS of Granite State's FERC Gas Tariff, Volume No. 1 unless the parties mutually agree otherwise

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**Original Sheet No. 180** Original Sheet No. 180

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

ARTICLE IV  
MISCELLANEOUS

Warranties - Operator warrants (i) that as to any gas which it delivers or causes to be delivered to Granite State hereunder to correct an Operational Imbalance that it will have good title to such gas, free and clear of all liens, encumbrances and claims whatsoever; (ii) that it will at the time of delivery have the right to deliver or cause to be delivered such gas; (iii) that it has the right to allocate all deliveries from the Delivery Points in accordance with this Agreement, and (iv) that it will indemnify and save Granite State harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas or to royalties, overriding royalties, taxes, or other charges thereon or with regard to the allocation of gas hereunder. Operator represents and warrants to Granite State that all-requisite authorizations, if any, have been obtained as to any gas which Operator delivers or causes to be delivered hereunder.

Governing Bodies - This Agreement shall be subject to all applicable laws, Federal or State, and to all applicable rules and regulations of any duly authorized Federal, State or other government agency having jurisdictions.

Waivers - No waiver by either party of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of different character.

Billings and Payments - Granite State shall bill and Operator shall pay for the correction of Operational imbalances in cash in accordance with Articles 5 and 6, respectively, of the General Terms and Conditions specified in Granite State's FERC Gas Tariff.

Effective Date: 03/01/2010 Status: Effective  
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**Original Sheet No. 181** Original Sheet No. 181

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

Incorporation of Tariff - Unless otherwise stated herein, The General Terms and Conditions specified in Granite State's FERC Gas Tariff are incorporated as part of this Agreement.

Notice - Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the party's address shown on Exhibit A hereto, or such other address as either party may designate by written notice to the other.

Conflicts - If there is any conflict or discrepancy between this Agreement and any other Agreement between Granite State and Operator with regard to allocations of deliveries at Delivery Points, the terms of this Agreement shall govern and control.

The Parties' signatures below will evidence their agreement to this Operational Balancing Agreement.

\_\_\_\_\_  
(Operator)

By: \_\_\_\_\_

Granite State Gas Transmission, Inc.

By: \_\_\_\_\_

Effective Date: 03/01/2010 Status: Effective  
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**Original Sheet No. 182** Original Sheet No. 182

OPERATIONAL BALANCING AGREEMENT  
(For Use Pursuant to Rate Schedule LMS)  
(Continued)

Exhibit A

Delivery Point(s)

Meter No.

*Effective Date: 03/01/2010 Status: Effective*

*FERC Docket: RP10-322-000*

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INDEX OF FORMS

Request for Transportation Service 184

Effective Date: 03/01/2010 Status: Effective  
FERC Docket: RP10-322-000

**Original Sheet No. 184** Original Sheet No. 184

FORM FOR REQUEST FOR TRANSPORTATION SERVICE

Date: \_\_\_\_\_

Granite State Gas Transmission, Inc.  
6 Liberty Lane West  
Hampton, New Hampshire 03842

Attention: Transportation Services

Re: \_\_\_\_\_ New Service, or  
\_\_\_\_\_ Modification of Existing Service

\_\_\_\_\_ ("Shipper") hereby requests transportation service from Granite State Gas Transmission, Inc. ("Transporter") and hereby provides the following information in connection with this request:

(a) Complete legal name of Shipper:

\_\_\_\_\_

(b) Type of legal entity and state of incorporation:

\_\_\_\_\_

(c) Type of company

\_\_\_\_\_ Local Distribution Company  
\_\_\_\_\_ Interstate Pipeline  
\_\_\_\_\_ Intrastate Pipeline  
\_\_\_\_\_ Producer  
\_\_\_\_\_ End-User  
\_\_\_\_\_ Marketer  
\_\_\_\_\_ Broker  
\_\_\_\_\_ Other (fill in)

FORM FOR REQUEST FOR TRANSPORTATION SERVICE  
(Continued)

(d) The specific affiliation of the requester with  
Transporter, if any:

\_\_\_\_\_.

(e) Name of Shipper's contact, address and telephone number  
through which correspondence for the following should be directed:

Contact for Request: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact for Notices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact for Invoices: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(f) Are additional or new facilities required to receive or  
deliver gas for the transportation service requested herein?

\_\_\_\_\_ Yes \_\_\_\_\_ No

(g) Name and full title of Officer (or General Partner) of  
Shipper who will execute written transportation agreement with  
Transporter.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

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FORM FOR REQUEST FOR TRANSPORTATION SERVICE  
(Continued)

(h) The maximum daily quantity to be transported is \_\_\_\_\_ Dth with an estimated total quantity of gas to be transported during the requested term of service of \_\_\_\_\_ Dth.

(i) Term

- (1) Date service is proposed to commence \_\_\_\_\_.
- (2) Term of Service \_\_\_\_\_ months, \_\_\_\_\_ years.
- (3) Date of termination \_\_\_\_\_.
- (4) Evergreen? yes \_\_\_\_\_ no \_\_\_\_\_.

(j) Name and detailed description of Receipt Point(s) into Transporter's system and the maximum daily quantities of gas to be delivered by Shipper for each point:

Receipt Point	MDRO	Term	Upstream Transp.	Supplier
_____	_____	_____	_____	_____

Name and detailed description of Delivery Point(s) where Transporter will redeliver the gas and the maximum daily quantities of gas to be redelivered by Transporter for each point:

Delivery Point	MDRO	Term	Name of Party Recv Gas	End Use Location (State)
_____	_____	_____	_____	_____

(k) Type of service requested:

- \_\_\_\_\_ Firm - FT-1
- \_\_\_\_\_ Firm - FT-NN
- \_\_\_\_\_ Interruptible -IT-1

FORM FOR REQUEST FOR TRANSPORTATION SERVICE  
(Continued)

(1) Credit Evaluation

(1) a copy of Shipper's most recent audited financial statements;

(2) a copy of Shipper's most recent Annual Report and 10-K Form, if applicable;

(3) a list of Shipper's affiliates, including parent and subsidiaries, if applicable.

(4) a deposit or letter of credit, at Shipper's option, payable to Transporter in an amount equal to three months of transportation at 100% load factor of the requested MDTQ at the maximum applicable unit rate.

(m) Shippers shall provide the following certifications:

(1) Certification by Shipper that Shipper has title to, or a current contractual right to acquire such title to, the gas to be transported by Transporter.

(2) Certification by Shipper that prior to the commencement of service, Shipper has or will enter into all necessary third party transportation agreements to transport the gas to the party ultimately receiving the gas.

(3) Certification by Shipper that Shipper has a sales contract or will enter into such sales contract with the party ultimately receiving the gas prior to the commencement of service.

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(Continued)

(4) If Shipper is requesting service hereunder to be implemented pursuant to Section 3 of the Natural Gas Policy Act, certification executed by the local distribution company or the intrastate pipeline company, on whose behalf the transportation will be performed, whether or not such local distribution company or intrastate pipe- line (1) will have physical custody of and transport the gas at some point during the transaction of which the transportation by Transporter is a part, or (2) will hold title to the gas at some point for a purpose related to its status and functions as a local distribution company or intrastate pipeline, or (3) that the gas will be delivered to a customer that is located within the local distribution company's service area and the transportation is being provided on its behalf, or (4) that the gas will be delivered to a customer that is physically able to receive direct deliveries of gas from the intrastate pipeline and the transportation is being provided on its behalf.

Shipper understands that this Request Form, complete and unrevised as to format, must be received by Transporter before the transportation request will be accepted and processed. Shipper further understands that Transporter is an interstate pipeline subject to the Regulations of the Federal Energy Regulatory Commission ("Commission"), and that Shipper's request will become part of a log available for public inspection. Shipper hereby agrees to pay Transporter's currently effective transportation rate(s) applicable to this service. In the case of firm supply requiring the construction of additional facilities, Shipper agrees to pay rates as approved by the Commission designed, inter alia, to reimburse Transporter for the cost of construction of such additional facilities. Shipper also understands that it must reimburse Transporter for the Commission's filing fee upon receipt of an invoice thereof. Shipper, by its signature, represents to Transporter

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that the information set forth in this transportation request is correct and accurate and that all necessary transportation arrangements with the upstream and downstream transporters, as stated herein, have been or will be secured prior to the commencement of the requested transportation services.

If requesting firm service, Shipper has enclosed a check in the amount of the necessary pre-payment charge for firm service under Rate Schedule FT-1.

Very truly yours,

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

